



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

### Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

### About Google Book Search

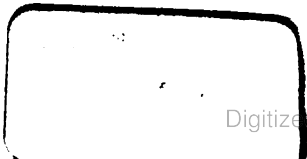
Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>





HN FCFM I





DEPRESSION OF TRADE AND INDUSTRY.

---

FINAL REPORT

OF THE

ROYAL COMMISSION

APPOINTED TO INQUIRE INTO THE

DEPRESSION OF TRADE AND INDUSTRY;

WITH MINUTES OF EVIDENCE AND APPENDICES.

---

Presented to both Houses of Parliament by Command of Her Majesty.

---



LONDON:  
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE.

PUBLISHED BY  
EYRE AND SPOTTISWOODE, EAST HARDING STREET, LONDON, E.C.  
ADAM AND CHARLES BLACK, NORTH BRIDGE, EDINBURGH.  
HODGES, FIGGIS, & Co., 104, GRAFTON STREET, DUBLIN.

1886.

[C.—4893.] *Price 2s. 4d.*



Econ 6068,86 F

HARVARD COLLEGE LIBRARY  
RECEIVED THROUGH THE  
GRADUATE SCHOOL OF  
BUSINESS ADMINISTRATION  
1934

## TABLE OF CONTENTS.

	Page
ROYAL COMMISSION - - - - -	iii
REPORT - - - - -	v
REPORT OF MAJORITY OF THE COMMISSION - - - - -	v
RESERVATIONS AND REMARKS:	
Mr. SCLATER BOOTH - - - - -	xxvi, lxxi
Mr. BIRTWISTLE - - - - -	xl
Mr. LIONEL L. COHEN - - - - -	xxvi
Sir JAMES P. CORRY - - - - -	xl
Mr. H. H. GIBBS - - - - -	xxvi, lxxi
Mr. W. H. HOULDSWORTH - - - - -	xxvii
Mr. G. A. JAMIESON - - - - -	xxvi, xxviii
Mr. R. H. INGLIS PALGRAVE - - - - -	xxvi, xxxvi
Sir CHARLES M. PALMER - - - - -	xli
Professor BONAMY PRICE - - - - -	xlii
Mr. SAMUEL STOREY - - - - -	xlii
REPORT of LORD DUNRAVEN, Mr. FARRER ECROYD, Mr. NEVILLE LUBBOCK, and Mr. P. A. MUNTZ	xliii
RESERVATIONS of LORD DUNRAVEN - - - - -	lxix
REPORT of Mr. ARTHUR O'CONNOR - - - - -	lxxi
MINUTES OF EVIDENCE - - - - -	1
APPENDICES. (For list, see p. 49.) - - - - -	49
ANALYSIS OF EVIDENCE APPENDED TO PREVIOUS REPORTS, &c. (For Table of Contents, see p. 96.) - - - - -	95

113182

## COMMISSION.

---

*VICTORIA R.*

**Victoria**, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith.

**To** Our right trusty and right well-beloved Cousin and Councillor Stafford Henry, Earl of Iddesleigh, Knight Grand Cross of Our Most Honourable Order of the Bath, one of the Commissioners for executing the offices of Treasurer of the Exchequer of Great Britain and Lord High Treasurer of Ireland; Our right trusty and right well-beloved Cousin Wyndham Thomas, Earl of Dunraven and Mount-Earl, Knight of Our Most Illustrious Order of Saint Patrick; Our right trusty and well-beloved Councillor George Sclater-Booth; Our trusty and well-beloved Sir James Joseph Allport, Knight; John Aird, Esquire; Thomas Birtwistle, Esquire; Lionel Louis Cohen, Esquire; James Porter Corry, Esquire; David Dale, Esquire; Charles James Drummond, Esquire; William Farrer Ecroyd, Esquire; Henry Hucks Gibbs, Esquire; William Henry Houldsworth, Esquire; William Lawies Jackson, Esquire; George Auldjo Jamieson, Esquire; Neville Lubbock, Esquire; Philip Albert Muntz, Esquire; Arthur O'Connor, Esquire; Robert Harry Inglis Palgrave, Esquire; Charles Mark Palmer, Esquire; William Pearce, Esquire; Bonamy Price, Esquire, Professor of Political Economy in Our University of Oxford; and Samuel Storey, Esquire, greeting.

**Whereas** We have deemed it expedient that a Commission should forthwith issue to inquire and report upon the extent, nature, and probable causes of the depression now or recently prevailing in various branches of trade and industry, and whether it can be alleviated by legislative or other measures.

**Now know ye**, that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these presents authorise and appoint, you the said Stafford Henry, Earl of Iddesleigh; Wyndham Thomas, Earl of Dunraven and Mount-Earl; George Sclater-Booth; Sir James Joseph Allport; John Aird; Thomas Birtwistle; Lionel Louis Cohen; James Porter Corry; David Dale; Charles James Drummond; William Farrer Ecroyd; Henry Hucks Gibbs; William Henry Houldsworth; William Lawies Jackson; George Auldjo Jamieson; Neville Lubbock; Philip Albert Muntz; Arthur O'Connor; Robert Harry Inglis Palgrave; Charles Mark Palmer; William Pearce; Bonamy Price; and Samuel Storey to be Our Commissioners for the purposes aforesaid.

**And** for the better effecting the purposes of this Our Commission, We do by these Presents give and grant unto you, or any six or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; and also to call for, have access to, and examine all such books, documents, registers, and records as may afford you the fullest information on the subject; and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

**And** We do further by these presents authorise and empower you, or any six or more of you, to visit and personally inspect such places in Our United Kingdom as you may deem expedient for the more effectual carrying out of the purposes aforesaid.



**And** We do by these Presents will and ordain that this Our Commission shall continue in full force and virtue, and that you Our said Commissioners, or any six or more of you, may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

**And** We do further ordain that you, or any six or more of you, have liberty to report your proceedings under this Our Commission from time to time, if you shall judge it expedient so to do.

**And** Our further will and pleasure is that you do, with as little delay as possible, report to Us, under your hands and seals, or under the hands and seals of any six or more of you, your opinion upon the several matters herein submitted for your consideration.

**And** for the purpose of aiding you in such matters, We hereby appoint Our trusty and well-beloved George Herbert Murray, Esquire, to be Secretary to this Our Commission.

Given at Our Court at St. James's, the Twenty-ninth day of August one thousand eight hundred and eighty-five, in the Forty-ninth year of Our Reign.

By Her Majesty's Command.

RICHD. ASSHETON CROSS.

# ROYAL COMMISSION ON THE DEPRESSION OF TRADE AND INDUSTRY.

## FINAL REPORT.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY,

WE, the undersigned Commissioners appointed to inquire into the nature, extent, and probable causes of the depression now or recently prevailing in various branches of trade and industry, desire humbly to submit to Your Majesty a Final Report upon the several matters which we were directed to investigate. INTRODUC-  
TORY.

Before, however, we proceed to state the conclusions at which we have arrived, it will be convenient to give a short summary of our proceedings and of the method which we adopted in pursuing our inquiry.

(2.) Owing to the season of the year at which Your Majesty's Commission was issued we found it impracticable to proceed at once to take oral evidence, and we thought that it would be desirable, on other grounds also, to commence our inquiry by means of written questions and answers. Method of  
inquiry.

It appeared to us that we should by this means most readily place ourselves in possession of the leading facts of the situation and of the prevailing opinions as to its probable causes and possible remedies.

(3.) We, therefore, placed ourselves in communication with the chambers of commerce and other associations representing the interests of the mercantile and industrial classes, and addressed to them a series of questions calculated to elicit the facts with regard to the existing condition of trade and industry as compared with former periods, and also to afford an opportunity for the expression of opinion on the principal causes which might be thought to have operated with a prejudicial effect on the commercial welfare of the country. Questions  
addressed to  
chambers of  
commerce,  
&c.;

These questions, which were appended to our Second and Third Reports, and which need not, therefore, be repeated here, will serve to indicate the line of inquiry which we thought should be adopted in order to discharge the duty imposed upon us, and to which we have substantially adhered in our subsequent examination.

(4.) After preliminary questions as to the districts and industries to which the answers were to refer, we invited a statement of the comparative condition of trade and industry in the last four quinquennial periods, having regard to its volume, its gross value, its net profit, the amount of capital invested, and the amount of labour employed.

We should here state that in selecting the last twenty years for the period of comparison we were influenced mainly by a desire, on the one hand, to avoid carrying back our investigation into periods in which the conditions of the trade and industry of the country differed too widely from those which now affect it to make any comparison between them useful; and, on the other, to include the years immediately preceding the events of 1870-71, which resulted in so serious a disturbance to the commerce of the world.

(5.) In instituting a comparison with previous periods, our principal object was to suggest to those who were of opinion that the existing condition of trade was one of depression, a standard by which their estimate of the depression could be more or less exactly measured.

We were, therefore, at some pains to obtain from each representative body, in describing the industries of its district as depressed, an explanation of the precise sense in which the term was used, with information as to the extent, duration, and symptoms of the depression; and as to the existence of any special circumstances to which it might be attributed. We also added questions to elicit information as to its bearing upon capital and upon labour.

(6.) We then invited suggestions as to measures which might be taken to improve the existing condition of trade, either by legislation or independently of legislation.

Finally, we included in a general question certain inquiries as to the possible effect



which might have been produced upon trade and industry by any of the following causes :—

- (a.) Changes in the relation between capital and labour ;
- (b.) Changes in the hours of labour ;
- (c.) Changes in the relations between the producer, the distributor, and the consumer ;
- (d.) Fall in prices or appreciation of the standard of value ;
- (e.) The state of the currency and the banking laws ;
- (f.) Restriction or inflation of credit ;
- (g.) Over-production ;
- (h.) Foreign competition ;
- (k.) Foreign tariffs and bounties ;
- (l.) Incidence of taxation, local or imperial ;
- (m.) Communication with other markets ;
- (n.) Legislation affecting trade ;
- (o.) Legislation affecting land.

To labour associations ; (7.) The bodies to which we addressed these questions would naturally represent the capitalist or the employer of labour rather than the labourer himself ; and we therefore drew up a separate series of questions designed to elicit information and to obtain expression of opinion on the subject of our inquiry from the point of view of the working classes.

These questions were addressed to a large number of trades unions and similar associations representing the interests of the workmen.

They were directed mainly to the following points :—(a) the number of persons connected with the several trades, distinguishing the employed from the unemployed ; (b) the general character of the trade of the district, whether depressed or otherwise ; (c) the hours and conditions of labour and the rate of wages ; (d) the growth of production.

(8.) The questions and answers will be found set out at length in Part II. of the Appendix to our Second Report. The answers both to these and to our other series of questions are not, of course, all of equal value, or equally complete ; but it did not appear to us right to make a selection, and we therefore submitted all that we received.

To foreign countries. (9.) Finally, it appeared to us essential, in order to arrive at a true view of the depression of trade and the forces which might be operating upon it, to extend our inquiry into foreign countries and to obtain information as to the state of trade there.

We therefore addressed ourselves to Your Majesty's Secretary of State for Foreign Affairs, and requested his Lordship to obtain answers from Your Majesty's Diplomatic and Consular Officers abroad to a series of questions which we had drawn up on substantially the same lines as those indicated above.

The answers received will be found in the Appendices to our Second and Third Reports, and we cannot allow this reference to them to pass without expressing our sense of the very able and painstaking manner in which they have, in the great majority of cases, been drawn up, and of the value of the information so supplied.

Official witnesses. (10.) Coming next to the witnesses who appeared before us, we began by examining representatives of the Board of Trade, the Foreign Office, the Board of Inland Revenue, and the Board of Customs, with a view rather to ascertain the extent and completeness of the information which might be available on the subject of our inquiry than to elicit any expression of their opinion on the subject.

Mr. Giffen, Assistant Secretary of the Board of Trade, gave full details of the information in the possession of that Department, and was also good enough to prepare for our use a series of tables exhibiting the general features of the course of trade in recent years so far as it could be gathered from the official and other statistics at his command. These will be found in Appendix C. to our First Report.

We do not propose at this moment to state the general conclusions at which they appear to point ; but we desire here to draw special attention to them. Taken in connexion with those put in by Sir Algernon West, the Chairman of the Board of Inland Revenue, which will be found in Appendix D. to the same Report, they appear to us to furnish in a singularly compact shape a synopsis of almost all the important features of our commercial position and progress during the last 30 years, so far as they can be gathered from statistics.

No less interesting, in our opinion, are the tables prepared by Sir A. West, whose position, as controlling the collection of the whole internal revenue of the country, naturally gives him valuable opportunities of becoming acquainted with the general condition and vicissitudes of our trade.

We further examined Mr. C. M. Kennedy, of the Foreign Office, who has had considerable experience of our commercial relations with foreign countries, and of the negotiations for the promotion of international trade which have been so actively carried on during the last 25 years.

The information which he was able to give us was usefully supplemented by Mr. J. A. Crowe, Commercial Attaché at Your Majesty's Embassy at Paris, who has also resided for some years in Germany, and by Mr. D. E. Colnaghi, Your Majesty's Consul General in North Italy, who has paid special attention to the trade of that country.

We also examined Mr. Seldon, the Principal of the Statistical Department of the Board of Customs, Mr. Harding, the Chief Official Receiver in Bankruptcy, and Mr. J. S. Purcell, the Registrar of Joint Stock Companies, all of whom afforded valuable information on the several subjects falling within the sphere of their official action.

(11.) Having thus obtained such a general view of the situation as could be gathered from official witnesses and the statistics in their possession, we proceeded to consider the best method of further pursuing our inquiry.

After much deliberation we came to the conclusion, in the prudence of which we have since been confirmed, that it would not be desirable to examine witnesses from every separate branch of industry in the country.

The allegations made with regard to the depression of trade were of a sufficiently uniform and general character to satisfy us that our investigation should (in the first instance, at all events) be directed to an examination of the general conditions affecting all trades and industries alike, rather than any special circumstances applicable to individual cases.

Selection of four industries for special inquiry.

(12.) With this view we decided to select four of the most important and typical industries of the country, and to examine in some detail their past history, present condition, and future prospects, in the hope that by so doing we should be able to formulate some conclusions which would apply not only to them but to the trade of the country at large.

The industries which we selected were—the iron and coal trades, the textile industries, agriculture, and shipping.

As regards this selection we would here venture to repeat what we stated in our Second Report :—

“ In selecting these special branches of the trade and industry of the country we were influenced not only by their intrinsic importance but by their representative or typical character.

“ The iron trade, for instance, afforded an example of a commodity, the raw material of which is, to a very large extent, found within the limits of our own country, and in the manufacture of which the cost and efficiency of labour are considerations of primary importance.

“ In the textile industries on the other hand the raw material is not only almost wholly imported from abroad, but also forms the principal element in the cost of the manufactured article.”

(13.) In agriculture we had to consider the most important industry in the country, whether we regard the amount of capital embarked in it, its direct interest to every member of the community, or its general influence on our national prosperity.

Finally, in shipping we had an instance of an industry which is necessarily very intimately connected with the general prosperity of the trade both of this country and of the world at large, and which, therefore, seemed likely to afford valuable indications of the extent and intensity of the depression. The shipbuilding industry is also one which gives employment to a very large amount of labour, and it was understood to be itself in an exceptionally depressed condition.

(14.) As regards the iron trade, and the other industries which are closely connected with it, we were fortunate in finding a witness so competent as Sir Lowthian Bell, the President of the British Iron Trade Association, who took great pains to supply us with all the information in his power, and to whose exhaustive account of the trade we desire to call special attention.

Iron trade.

In addition to Sir Lowthian Bell we examined witnesses on this branch of our inquiry from Glasgow, Barrow, Birmingham, and Sheffield, as well as a number of witnesses representing the several coal-producing districts.

(15.) The witnesses on the textile industries included representatives of the cotton, woollen, linen, jute, silk, and lace trades carried on in Lancashire, Yorkshire, the South of Scotland, Dundee, Belfast, Macclesfield, and Nottingham.

Textile industries.



**Agriculture.** (16.) The number of agricultural witnesses whom we examined may appear to be small in proportion to the importance which we attach to that industry; but we may observe that a very influential Commission conducted an exhaustive inquiry into this subject, and reported only five years ago; and further that in this branch of our inquiry we were fortunate in hearing the opinion of Sir James Caird, to whose evidence, covering as it does the whole field of this branch of our inquiry, we desire to call special attention.

**Shipping and shipbuilding.** (17.) Besides witnesses on shipping and shipbuilding, we examined persons connected with the coal and mining industries, the sugar industry, both in its home and its colonial branches, and the paper-making trade.

**Other witnesses.** Two witnesses attended specially to afford information as to the possibility of developing the water communications of the country, with a view to provide an alternative mode of carriage to that offered by the railways.

Finally, several witnesses representing the working classes attended and gave evidence with regard to the effect of the depression of trade upon their interests.

(18.) Opportunity has thus been afforded to all the more important interests and districts in the country to make known their views with regard to the prevailing depression, either by means of oral evidence or through the questions which we circulated.

We will next proceed to notice the principal points which were brought out in the evidence of the several witnesses or groups of witnesses whom we examined.

**Evidence on behalf of Iron Trade. 1947-51.** (19.) Among those connected with the iron trade we found a practical unanimity as to the nature and extent of the depression which they all asserted to exist. Although the production of pig iron in this country has, with some slight variations, steadily increased, with the result that in the year 1884 the make was 31 per cent. greater than in 1870, yet during the same period the quantity produced by other nations increased nearly 138 per cent. Sir L. Bell expressed the opinion that this failure to maintain our proportion of the iron trade of the world was not due to the superior quality of the iron produced or, to any great extent, to the greater cheapness of labour in foreign countries, but to the fact that there had been a greater expansion in the demand for iron on the continent and in the United States than in this country, and that the protective tariffs in those countries tend to exclude importations from abroad and thus artificially stimulate the home production.

**2199-2216.** The introduction of the basic process has also "enabled the Germans largely to "extend their manufacture of steel," and from this and other causes the power of production all over the world has been increased to such an extent that one witness expressed the opinion that "it would tend to stop any great rise in prices."

**2575.** Concurrently with this increase of productive power the consumption of iron in recent years has fallen off, owing in great measure to a diminution in the demand for railway and shipbuilding purposes.

As might be expected under these conditions, a very considerable decline in price has taken place, and there does not appear to have been any decrease in the cost of production which would to any extent counterbalance so great a fall.

**3645, 6.** As regards the cost of labour in this country and abroad, Sir Lowthian Bell stated that "while abroad wages have increased with the increased price of provisions, with "us wages increased with the decreased value of provisions," and that, therefore, our workmen are "not only very much better off absolutely, but better off comparatively with the labourers in other nations."

**3736-8.** The same witness stated that workmen were getting all the profit and the iron manufacturer none, but he added that he did not wish it to be inferred that he thought workmen were too highly paid. A similar view was taken by Mr. Smith, of the Barrow Steel Company, who was "quite sure that labour is increasing in value," and that in many portions of the trade "the labourer is doing better than the capitalist."

**2377-81.** Sir Lowthian Bell ascribed the greater relative development of the iron trade in foreign countries, and especially in Germany, to "great natural facilities assisted by the import duties."

**2573.** Mr. Donaldson considered that "the present depression has been intensified by the tariffs existing against us," which had resulted in closing the American market particularly, and the German, French, and Russian markets to a large extent.

**2561.** Attention was called to the fact that the royalties paid on minerals in this country were, as a rule, higher than those in foreign countries. Much stress was also laid on the cost of railway carriage as affecting the coal and iron trades.

It was, however, satisfactory to us to learn that we continue to hold in the neutral

markets of the world "the most favourable place of any nation," and that in those markets we are able to hold our own against foreign competition.

From the evidence submitted to us on behalf of the coal trade, there appears to have been the same increase of production in this country, accompanied by a greater proportionate increase in foreign countries, and especially Germany, as we noticed in the case of the iron trade; and the depression in the coal trade may be attributed to the fact that "the development of our trade has been at a greater rate than the expansion of the industries we supply."

(20.) As regard the textile industries, there is a general agreement among all the witnesses that while profits have been much reduced, production has been maintained or increased.

The evidence as regards foreign competition was somewhat conflicting.

Some witnesses maintained that both at home and in neutral markets we were suffering from the greater attention paid by French and German manufacturers to the wants of their customers.

On the other hand, we were assured by Mr. Hinrichsen of Manchester that "in the various branches of industry connected with the cotton trade we are fully able to compete with the productions of other nations," and that this is especially the case with staple goods. In this view Mr. Mitchell, of Bradford, appeared to concur.

Our attention was also drawn by many of the witnesses connected with the cotton trade to the increasing competition of the Bombay mills.

Concurrently with this increase in the number and ability of our competitors, our markets for textile products have been restricted by the operation of tariffs, especially in Germany and the United States.

(21.) We received from Sir James Caird and other witnesses ample corroboration of the serious effect which the great depression in the agricultural industry has produced upon the home trade of the country. There is but little divergence of opinion as to the cause of that depression. The extreme lowering of prices brought about by the extension of American farming appears to be the main factor of the present agricultural position; one witness, Mr. Druce, expressing the opinion that the cultivation of much of the inferior land in the country could not be remunerative, "even if it were to be had for nothing."

There also seemed a general acquiescence in the view expressed by Mr. Druce, that although "the depression in agriculture at first arose mainly from bad seasons," yet that the low prices realised by agricultural produce must now be regarded as the cause of the distress.

As might be expected, there was but little agreement as to the methods by which the position of agriculture in this country may be improved. It seemed, however, the opinion of the majority of the witnesses that the better regulation of railway rates and the adjustment and reduction of taxation would afford some slight measure of relief.

(22.) The evidence tendered to us on behalf of the shipping industry went far to corroborate that given by the manufacturers and traders to which we have already referred. In the volume of trade carried in British vessels there appears to be no falling off, but the tonnage built in recent years being in excess of the requirements of trade profits have been much reduced. There was also a general agreement that British shipping has as large a share as formerly of the carrying trade of the world, but that owing to the opening of the Suez Canal our entrepôt trade had fallen off.

(23.) In the course of Mr. Allhusen's evidence as to the chemical trade, our attention was again directed to the maintenance and even increase of the volume of trade accompanied by the diminution of profit and growth of foreign competition to which we have already referred, and further corroborative evidence on this point was given by those representing the paper-making industry.

The evidence given on behalf of the sugar trade placed us in possession of the views of those engaged in that industry as to the effect of the fiscal arrangements of other countries on the production, manufacture, and distribution of sugar in our colonies, and at home.

(24.) The replies received from Chambers of Commerce to the inquiries which we addressed to them confirm the statements made by the witnesses who have appeared before us. Those replies testify to the general maintenance or increase of the volume of trade, accompanied in many cases by a shrinkage in its value, and in all cases by a serious diminution of profit. They also show how general is the belief in commercial circles that over-production, the fall of prices, and more effective foreign competition,

3660.

Coal Trade.

12,092-4.

12,299.

Textile

industries.

4086, 4104,

4307, 4831

-5, 6321.

6073.

6062.

3851-4.

Agriculture.

8667.

7778.

9145

9138.

Shipping.

10,064-8.

10,069.

10,072-4.

10,847, 8,

11,191-8.

Other  
industries.Answers of  
Chambers of  
Commerce.



assisted by high tariffs, go far to account for the existing position of trade and industry in this country.

From foreign countries.

(25.) The answers we have received from Your Majesty's representatives abroad lead to the conclusion that the condition of trade in the various countries of the civilised world differs very materially, and that commercial depression has not been so widespread or so uniformly manifested as has sometimes been supposed. In Belgium, France, Russia, Scandinavia, Spain, and in the United States the position was represented as being almost identical in its leading features with that existing in the United Kingdom; whilst, on the other hand, in Austria and Germany the remarkable growth of industrial enterprise appears to have neutralised the effects of falling prices and diminished profits. In some countries, notably in France and Italy, British trade does not appear to have diminished in any undue proportion, but in many others foreign competition has made large inroads on the business of English firms, and to quote Mr. Baring's words in his report on the trade of Portugal "Although we have not been ousted from the market . . . we have rivals, native and foreign, who compete successfully with us in branches of trade in which we formerly held a monopoly."

Labour associations.

(26.) From the labour associations we received about 280 answers, but owing to the varying circumstances of the different districts it is difficult to give an accurate summary of the views expressed.

With very few exceptions, trade is reported to be depressed, and in many cases it is considered to be more depressed than at any previous period. The number of workmen out of employment at the time when the answers were drawn up showed considerable variations, according to the districts and trades to which they belonged; but there appears to have been a greater want of employment among the unskilled than among the skilled workmen.

The rate of wages for time-work appears on the whole to be slightly higher than the average of the last twenty years; but it is not now at its highest point. The rate for piece-work has diminished in nearly all cases. A reduction is reported in the hours of work of from three to four hours a week during the last fifteen years.

Both the quantity and quality of the work produced have largely increased.

General summary of written and oral evidence.

(27.) Summarising very briefly the answers which we received to our questions, and the oral evidence given before us, there would appear to be a general agreement among those whom we consulted—

- (a) that the trade and industry of the country are in a condition which may be fairly described as depressed;
- (b) that by this depression is meant a diminution, and in some cases, an absence of profit, with a corresponding diminution of employment for the labouring classes;
- (c) that neither the volume of trade nor the amount of capital invested therein has materially fallen off, though the latter has in many cases depreciated in value;
- (d) that the depression above referred to dates from about the year 1875, and that, with the exception of a short period of prosperity enjoyed by certain branches of trade in the years 1880 to 1883, it has proceeded with tolerable uniformity and has affected the trade and industry of the country generally, but more especially those branches which are connected with agriculture.

(28.) As regards the causes which have contributed to bring about this state of things there was, as might be expected, less unanimity of opinion; but the following enumeration will, we think, include all those to which any importance was attached:—

(1) over-production; (2) a continuous fall of prices caused by an appreciation of the standard of value; (3) the effect of foreign tariffs and bounties, and the restrictive commercial policy of foreign countries in limiting our markets; (4) foreign competition, which we are beginning to feel both in our own and in neutral markets; (5) an increase in local taxation and the burdens on industry generally; (6) cheaper rates of carriage enjoyed by our foreign competitors; (7) legislation affecting the employment of labour in industrial undertakings; (8) superior technical education of the workmen in foreign countries.

(29.) The actual condition of the working classes was also a point on which very conflicting opinions were expressed. On the one hand it was contended that their position had materially improved during the last ten or fifteen years, wages not having fallen to any great extent, the hours of labour being shorter, and most of the necessities of life cheaper. On the other hand it was pointed out that, though this view might fairly represent the case of those who were able to find regular and

constant work, the actual earnings of a large proportion of the labouring classes were greatly reduced owing to insufficiency and irregularity of employment.

## II.

(30.) Having thus touched upon the method of our inquiry, and the principal points to which prominence has been given, we will proceed to comment upon the evidence and to state the conclusions at which we have been able to arrive.

We propose in the first place to deal with the nature of the depression.

NATURE AND  
EXTENT OF  
THE DE-  
PRESSION.

Upon this question there have been some inevitable differences according to the points of view from which the several witnesses and those from whom we have received information have regarded it.

(31.) Those who may be said to represent the producer have mainly dwelt upon the restriction, and even the absence, of profit in their respective businesses. It is from this class, and more especially from the employers of labour, that the complaints chiefly proceed. On the other hand, those classes of the population who derive their incomes from foreign investments or from property not directly connected with productive industries, appear to have little ground of complaint; on the contrary, they have profited by the remarkably low prices of many commodities.

Complaints  
of depression  
proceed  
chiefly from  
the pro-  
ducing class.

(32.) As regards the artisans and labourers, the question is rather more complicated. It resolves itself into two: (a) whether the reduction of profits, which has told upon so many of the employers, has prejudicially affected the employed by causing a scarcity of employment; (b) whether reductions have been made in their wages, and, if so, whether such reductions have been compensated, or more than compensated, by the low prices of commodities, or by the shortening of their hours of work.

(33.) There is, however, yet another point of view to be taken. We have to consider the economical condition of the country as a whole, apart from the vicissitudes of particular industries; and to inquire into the national production of wealth, as well as into its distribution among different classes. If the aggregate quantity of commodities produced is on the increase, and is growing at a more rapid rate than the population, we cannot regard the depression in particular industries, or among particular classes of producers as an indication of a corresponding national loss.

A broader  
view of the  
question.

We must not, however, close our eyes to the sufferings which, even in a time of general prosperity, certain classes of producers may have to undergo; and we must bear in mind that what seriously affects one class cannot be without influence on the condition of others.

(34.) We are satisfied that in recent years, and more particularly in the years during which the depression of trade has prevailed, the production of commodities generally and the accumulation of capital in this country has been proceeding at a rate more rapid than the increase of population; and in support of the view that our material prosperity is increasing, we might refer to such statistics as those of pauperism, education, crime, savings banks, &c. These, however, supply us only with indirect evidence on the subject, and though their united testimony is valuable, they can apply only to the condition of particular classes or sections of the community.

General  
increase of  
production.  
25, 70.  
716-18.  
*1st Report,*  
*App. C.*  
*Tables*  
42-46.

(35.) The statistics of our internal trade are very imperfect, and it is, therefore, not easy to measure the growth of our actual production; but some useful evidence is afforded by the returns of our foreign trade, and by the statistics of the consumption of raw material.

The information obtained from both of these sources appears to point to the conclusion that our production has increased at a rate which, if not quite so rapid as at some previous periods in our history, is still in advance of the rate of increase of population.

(36.) It is true that the statistics of our foreign trade show an apparent falling off in some respects, but this is almost entirely due to the continuous fall in prices which has been in progress since 1873, and more particularly to the fall in the prices of raw materials.

Statistics of  
foreign trade.

A fall of prices may involve a reduction in the profits of those immediately engaged in producing or dealing in the commodities affected; but it is not necessarily injurious to the community at large.

When due allowance is made for the fall of prices, and especially for the fall in the price of the raw material of our manufactures, we think it will be found that the actual products of British labour and capital have largely increased.

(37.) The real growth of our foreign trade and of our producing power will be readily seen from the following figures extracted from Mr. Giffen's Report to the Board of Trade "On recent changes in the amount of the foreign trade of the United Kingdom." (1885. C.-4456.)

DECLARED VALUE of IMPORTS and EXPORTS in 1873, 1879, and 1883, compared with the computed values, on the assumption that the values of the whole trade are affected by differences in prices as are the values of enumerated articles.

IMPORTS.						Declared values.	Values computed at the prices of 1873.
						£ mlns. sterling.	£ mlns. sterling.
1873	-	-	-	-	-	371	371
1879	-	-	-	-	-	363	438
1883	-	-	-	-	-	427	512

EXPORTS.							
1873	-	-	-	-	-	255	255
1879	-	-	-	-	-	191½	273
1883	-	-	-	-	-	240	349

From these figures it will be seen that the aggregate of our foreign trade in the year 1883, if valued at the prices of 10 years previously, would have amounted to 861,000,000*l.* instead of 667,000,000*l.*

We understand that corresponding calculations for the years 1884 and 1885 have not yet been made; and they would no doubt necessitate some modifications of these figures. The total falling off in the value of our foreign trade in the year 1885 as compared with 1883 was 82,678,597*l.* But if due allowance is made for the further fall of prices which occurred between 1883 and 1885, and which is estimated at from 10 to 12 per cent., the volume of trade will probably be found to have diminished but very slightly in those years.

(38.) The assertion is so constantly made that the value of our foreign trade is declining, that it may not be out of place here to call attention to the fact that the average annual value of the aggregate imports and exports during the years 1880–84 (which was the latest period for which the figures were available when we commenced our inquiry) is greater, both absolutely and relatively to population, than in any previous quinquennial period.

Period.		Average Annual Value of our Foreign Trade.	Amount per Head of Population.
		Million £.	£ s. d.
1865–69	- -	516	16 19 1
1870–74	- -	636	19 19 3
1875–79	- -	632	18 16 6
1880–84	- -	706	20 0 1

And this increase has taken place in spite of the fall in prices above referred to,

(39.) We do not, however, think that too much importance should be attached to the returns of values. In order to test the progressive increase of trade generally, or of particular branches of trade, it is obviously essential that the measure applied should be invariable, and it is manifest that an invariable measure cannot be found in the pound sterling. A ton in weight or a yard in length are the same in one year as in another, and always bear the same relation to the commodities to which they may be applied. But this is not the case with the pound sterling, the value or purchasing power of which varies according to the supply of, and the demand for, the metal of which it is composed. For these reasons we think that quantities are, for our present purpose, a much better criterion than values.

(40.) As regards quantities, we have a sound basis for calculation in the statistics of the consumption of raw material, whether produced at home or imported from abroad.

A reference to the figures in Appendix C. to our First Report will show that the production of coal, and of pig iron, and the consumption of raw cotton, and of

Misleading character of statistics of value.

122.

Consumption of raw material.

imported wool have largely increased in the five years 1880-84 as compared with preceding periods, and that this increase has been greater than the increase of population.

Period.	COAL.		PIG IRON.*		RAW COTTON.		RAW WOOL.	
	Average Quantity raised.	Per Head of Population.	Average Quantity produced.	Per Head of Population.	Net Imports (Annual Average).	Per Head of Population.	Net Imports (Annual Average).	Per Head of Population.
	Million tons.	Tons.	Million tons.	Tons.	Million cwt.	lbs.	Million lbs.	lbs.
1865-69	108	3·29	4·1	·14	8·1	29·8	144·0	4·0
1870-74	120	3·79	4·9	·16	11·2	39·3	180·5	5·6
1875-79	133	3·97	6·4	·19	11·0	36·6	197·4	5·8
1880-84	156	4·43	8·1	·23	13·2	41·8	217·1	6·1

We see no reason to doubt that with some unimportant exceptions this increase will be found in all the industries of the country.

(41.) Slight fluctuations in the quantity produced from year to year will necessarily always occur, and the statistics of any particular industry will not always show a progressive increase steadily maintained. It appears indeed, from the figures above referred to, that some of the minor industries exhibit a progressive decline, but these are industries chiefly engaged in the production of raw material which is being displaced by increased importation from abroad. Others again, and among them will be found the important industries of coal, iron, and woollens, are not now at their highest point, though their present position is far in advance of what it was even in the productive years from 1871 to 1873.

*Appendix to First Report, p. 140, Table 10.*

But we see no indications that, taking the industries of the country as a whole, and having regard to the figures of a series of years, there is any diminution in the aggregate of commodities produced by British capital and British labour.

General increase in production.

(42.) Besides the statistics of production, we may point, in support of this opinion, to the growth of the goods traffic on railways and of the tonnage employed in the shipping trade, while the increased consumption of all the necessities and common luxuries of life, and especially of food, affords evidence of the same kind from another point of view.

Other evidence in support of this view.  
51.

Period.	Goods Traffic conveyed by Railway.		Tonnage Entered and Cleared with Cargoes			
			In the Foreign Trade.		In the Coasting Trade.	
	Annual Average.	Per Head of Population.	Annual Average.	Per Head of Population.	Annual Average.	Per Head of Population.
	Million Tons.	Tons.	Million Tons.	Tons.	Million Tons.	Tons.
1865-69	—	—	27·98	·92	36·35	1·19
1870-74	—	—	36·18	1·13	38·21	1·19
1875-79	207	6·18	42·38	1·26	46·48	1·39
1880-84	253	7·16	52·22	1·48	50·08	1·42

\* The complete figures for these periods cannot be given.

(43.) In stating this general conclusion, however, there is one important branch of industry which must be excepted. We refer, of course, to agriculture. There can be little doubt that the quantity of agricultural produce raised in the country during the last few years has materially decreased, and that even the fairly good seasons of the last three years have scarcely compensated for the diminished production of the eight years which preceded them, while the steady fall in prices has, of course, affected the agriculturist even more seriously than the diminished yield of the soil.

Except in the case of agricultural industry.  
9011-16.  
9136.

This fact, as we shall show later on when we proceed to discuss the causes of the depression, has had a very important influence upon the situation.

(44.) It is indisputable that among the classes more immediately connected with the production of the large amount of wealth above alluded to the complaints of diminished profits and restricted markets are widespread and persistent, and it is impossible to doubt that, whatever may be the condition of the community as a whole,

Certain classes nevertheless appear to be suffering.



certain sections of it are suffering, or are at any rate in less prosperous circumstances than they were a few years back.

Complaints  
of absence  
of profit.

The complaints which are made are by no means of a uniform character ; but, so far as we are able to judge, there is a general agreement on all hands that business though not absolutely less in quantity is carried on with the smallest possible margin of profit, and in very many cases with no profit at all.

Not sup-  
ported by  
income tax  
statistics.

(45.) While, however, we find this opinion too generally expressed to admit of much doubt as to its being substantially accurate, we may point out that the only statistics on the subject which are available do not altogether support it.

First Re-  
port,  
Appendix D.

The gross amount of property and profits assessed to the income tax in the United Kingdom in the year 1885 was 631,000,000*l.*, and in the year 1884, 629,000,000*l.* Both of these amounts are largely in excess of the figures of any previous year, and we notice that since 1880 no year has shown a decrease when compared with the year immediately preceding.

724.

Nor, again, does the increase in these amounts, when compared with the growth of population, point to a very different conclusion. The amount assessed per head in both 1885 and 1884 was 17·6*l.*, a figure which has been exceeded in only one year previously, namely, 1876, when it was 17·7*l.* ; while in the year 1872, notwithstanding the highly profitable character of the trade at that time, the amount per head of population was only 15·3*l.*

(46.) These figures, however, include the assessment on lands, tenements, and houses, and have therefore a less direct bearing upon the point which we are now considering than the figures of Schedule D., under which the large proportion of commercial profits are assessed.

The gross amount assessed under that schedule in the year 1885 was 293,000,000*l.*, and in the year 1884, 291,000,000*l.*, both of these figures being the highest then recorded.

Comparing these figures also with the growth of population we find that the amount per head was 8·2*l.* in 1884, 8·1*l.* in 1885, and that to meet with figures exceeding these amounts we must go back to the years 1875 and 1876, when the amounts were 8·2*l.* and 8·3*l.* respectively.

Growth of  
income tax  
largely due  
to increased  
efficiency of  
collection.

795.

804-5.

2997.

(47.) Too much stress, however, should not be laid upon these figures, as it is well known that the growth of the income tax assessment is largely attributable to the increased efficiency of collection in late years. There is, moreover, reason to believe that in some cases the tax is paid on profits which have not been earned, owing to the unwillingness of traders to make known the fact that they have sustained losses, and notwithstanding the option given them by law to be assessed by the Special Commissioners of Income Tax at Somerset House. Due weight should also be given to the fact that the assessment is made on an average of years, and a diminution of profit may, therefore, not be immediately apparent in the returns.

(48.) At the same time we think that, at a moment when there appears to be a general agreement among all classes of traders that business has for some time been carried on at a loss or with the smallest possible margin of profit, it is worthy of remark that the amount of profits brought under the notice of the tax collector has actually increased with great steadiness throughout the last five years, a period which the universal testimony of those best qualified to form an opinion pronounces to have been the least profitable in the commercial history of the country.

Supply of  
commodities  
is in excess  
of demand.

5270.

7965.

(49.) In addition to this absence of profit there are two other features of the depression which, though neither so marked nor so universal, are worthy of notice.

On the one hand the natural tendency to equilibrium which results from the mutual reaction of supply and demand appears to have been obstructed for a longer period than usual. The continually increasing production which we have noticed above is maintained and stimulated by some other cause than the spontaneous demand for commodities. Such a state of things should, according to all previous experience, lead to a restriction of production until the legitimate demand had again made itself felt. And one of the most remarkable features of the present depression is that production should be maintained on its present scale for such a length of time in the face of unremunerative prices and a market apparently over supplied.

Reduction in  
return on  
capital.

(50.) There is also, in consequence of the unremunerative character of the trade of the country, less inducement to the capitalist to embark his capital in productive enterprise. This has resulted in a diminution of the current rate of both profits and interest, which has tended to create among the capitalist class a sense of depression corresponding to that which we have noticed as prevailing among the employers of labour.

The diminution in the return on capital would have had a much more serious effect if it had not been accompanied by a heavy fall in the prices of nearly all articles of ordinary consumption, which has enabled those with fixed incomes payable in gold to maintain a position not less prosperous than that which they enjoyed in the years of inflated trade and high prices.

(51.) We may therefore sum up the chief features of the commercial situation as being—

Summary of main features of the situation.

- (a) a very serious falling off in the exchangeable value of the produce of the soil ;
- (b) an increased production of nearly all other classes of commodities ;
- (c) a tendency in the supply of commodities to outrun the demand ;
- (d) a consequent diminution in the profit obtainable by production ; and
- (e) a similar diminution in the rate of interest on invested capital.

The depression as it affects—  
the producing classes ;

(52.) The diminution in the rate of profit obtainable from production, whether agricultural or manufacturing, has given rise to a widespread feeling of depression among all the producing classes.

the moneyed classes ;

Those, on the other hand, who are in receipt of fixed salaries or who draw their incomes from fixed investments have apparently little to complain of ; and we think that, so far as regards the purchasing power of wages, a similar remark will apply to the labouring classes.

(53.) We must, however, point out that the displacement of labour, which is always proceeding owing to the increased use of machinery or other changes in the methods of production, cannot fail to create a certain amount of distress of a more or less temporary character among the working classes, who are naturally less able to adapt themselves to sudden changes than those whose capital is in a more moveable form. This distress, which is to some extent at all times inevitable, was aggravated during the last winter by the exceptional severity of the weather. On this point we may refer to the results of an inquiry instituted by the Local Government Board in the early part of the year, from which it would appear that the winter of 1885-86 was marked by a general want of employment such as has not been felt for five or six years.

the working classes.

The demand for labour must of necessity be always fluctuating and uncertain, and within the last year or two this irregularity has been more marked than usual ; but, notwithstanding the occurrence of periods of temporary distress, such as that above referred to, we think that the statistics of pauperism and the increasing consumption of the commodities most in demand by the working classes prove that their thrift has increased, and that their general prosperity has not materially diminished in recent years.

We trust that the steps recently taken by the Board of Trade for the collection, arrangement, and publication of statistics, and other information relating to labour will result in still further advancing the interests of the working classes.

### III.

(54.) We have hitherto dealt with the nature and extent of the depression.

It remains to indicate the causes which have assisted to produce the state of things above described.

CAUSES OF THE DEPRESSION.

We have shown that the production of the more important classes of commodities has on the whole continued to increase ; and there can be no doubt that the cost of production tends to diminish. It is difficult, therefore, to understand how the net product of industry, which constitutes the wealth of the country, can have failed to increase also. There is, moreover, sufficient evidence that capital has on the whole continued to accumulate, throughout the period which is described as depressed, though there has been a sensible depreciation in the value of some kinds of capital.

How then are we to account for the general sense of depression which undoubtedly exists and is becoming perhaps more intense every year ?

(55.) We have observed above that the complaint proceeds chiefly from the classes who are more immediately and directly concerned in production ; and there can be no doubt that of the wealth annually created in the country a smaller proportion falls to the share of the employers of labour than formerly.

Changes in the distribution of wealth—

The view, therefore, which we are disposed to adopt is that the aggregate wealth of the country is being distributed differently, and that a large part of the prevailing complaints and the general sense of depression may be accounted for by the changes which have taken place in recent years in the apportionment and distribution of profits.

The reward of capital and management has become less ; and the employment of labour is, for the time at least, not so full and continuous ; so that even where the

rate of wages has not been diminished the total amount earned by the labourer has been less, owing to irregular or partial employment.

as shown by  
increased  
number of  
assessments  
to income  
tax.

(56.) Putting aside for a moment the condition of the classes who are immediately dependent upon agriculture for their incomes (on which subject we shall have some further remarks to make), and taking those only who are assessed under Schedule D. of the Income Tax Acts, and who may be assumed to represent the classes engaged directly in commercial enterprise, it will be seen that the total amount of profits on which the tax has been paid has increased, and so has the number of persons assessed.

From the Reports of the Commissioners of Inland Revenue it appears that between the years 1874-5 and 1884-5 the number of incomes assessed under Schedule D., amounting to 200l. a year and upwards, increased from 184,354 to 239,367, being an increase of nearly 30 per cent.

But it is to be observed that the number increased at a much more rapid rate at the lower end of the scale than at the upper, as the following table, compiled from the Reports, will show :—

SCHEDULE D.—TRADES AND PROFESSIONS ONLY.

NUMBER OF PERSONS assessed in the years 1874-75, 1879-80, and 1884-85 in the under-mentioned Classes :—

Incomes from		1874-75.	1879-80.	1884-85.	Increase 1884-85 over 1874-75.	Rate per cent. of Increase
£	£	No.	No.	No.	No.	
200 to	1,000	- 162,435	197,775	215,790	53,355	32·85
1,000 „	2,000	- 11,944	12,011	13,403	1,459	12·21
2,000 „	3,000	- 3,797	3,604	4,088	241	6·34
3,000 „	4,000	- 1,857	1,664	1,914	57	3·07
4,000 „	5,000	- 1,003	898	1,074	71	7·07
5,000 „	10,000	- 2,035	1,671	1,928	*107	*5·25
10,000 and upwards		- 1,283	1,020	1,220	*63	*4·91
Total		- 184,354	218,643	239,367	55,013	29·84

\* Decrease.

(57.) From this table it would appear that the number of persons with incomes of less than 2,000l. a year has increased at a more rapid rate than the population (which in the period in question increased about 10 per cent.), while the number of persons with incomes above 2,000l. has increased at a less rapid rate, and the number with incomes above 5,000l. has actually diminished; and further, that the lower the income the more rapid the rate of increase.

(58.) We think, therefore, that, whether the aggregate amount of profits is increasing or not, there is distinct evidence that profits are becoming more widely distributed among the classes engaged in trade and industry; and that while the larger capitalists may be receiving a lower return than that to which they have been accustomed, the number of those who are making a profit, though possibly a small one, has largely increased.

This view is further confirmed by the figures given in the above table for the year 1879-80, which was undoubtedly a year of very general depression; it will be seen that there was a decrease in the number of assessments in all classes above the limit of 2,000l. a year, while in the classes below that limit there was in all cases a considerable increase.

But whatever may be the facts as to a change in the distribution of profits we think that it can scarcely be doubted that capitalists generally, and especially those directly engaged in production, obtain a smaller return than formerly.

Natural ten-  
dency to di-  
minution in  
the rate of  
profit.

(59.) It is, we believe, generally recognised that the accumulation of capital, which is always progressing in a civilized country, and the greater severity of the competition which results from this accumulation, tend to lower the rate of profit.

This tendency is of course checked by any expansion of trade which may be caused by the creation of a new demand; but its general effect is, we think, worthy of notice here, as there has been in recent years a marked absence of such expansion.

(60.) The great destruction of capital which is involved in a war, such as that of 1870-71, naturally stimulates production until the waste of capital is repaired. But when this has been done and consumption returns to its normal level, the world's capacity of production will naturally be in excess of its ordinary requirements; and the inevitable result of such a state of things is, either a restriction of production, or a reduction in the rate of profit.

Having regard to the difficulty of curtailing production owing to the loss of capital which would frequently ensue, we are inclined to consider this tendency to a diminution in the rate of profit as one of the more permanent elements in the condition of industry in this country, unless it should be counteracted by a corresponding expansion of trade.

(61.) In addition to the natural result of an accumulation of capital which is proceeding at a more rapid rate than the demand which will alone enable it to be profitably employed, one of the commonest explanations of this depression or absence of profit is that known under the name of over-production; by which we understand the production of commodities, or even the existence of a capacity for production, at a time when the demand is not sufficiently brisk to maintain a remunerative price to the producer, and to afford him an adequate return on his capital.

We think that such an over-production has been one of the prominent features of the course of trade during recent years; and that the depression under which we are now suffering may be partially explained by this fact.

(62.) Over a series of years it would naturally be expected that the supply of commodities would accommodate itself to the demand in such a manner as to ensure the maintenance in the long run of an adequate price and an adequate profit.

A general over-production is of course impossible, but it may often happen that there is an over-production of one class of commodities which is unable to find a remunerative market owing to the lack of purchasing power on the part of some section of the community which produces other classes of commodities; and we think that the course of trade in the last 10 years affords an example of this phenomenon.

(63.) On the one hand the purchasing power of a large section of the community—that, namely, which depends directly upon the productive capacity of the soil—has been seriously crippled. Bad seasons and the competition of the produce of other soils which can be cultivated under more favourable conditions than our own have reduced the quantity or the exchangeable value of the commodities which the agricultural classes have to offer for the products they desire.

(64.) Meanwhile, a process of an exactly opposite kind has been going on in other branches of industry.

Most of those commodities, the production of which is independent of the seasons and of the natural qualities of the soil, have been produced in steadily increasing quantities.

Machinery is being continually made more perfect, new processes which cheapen the cost of production are being continually introduced, and the quantity of this class of commodities which is annually placed upon the market is thus steadily increasing.

(65.) This tendency, which is under ordinary circumstances perfectly natural and usual, has been intensified in recent years owing to the stimulus given to production by the great demand for all manufactured goods which followed the war of 1870-71.

A demand which was only temporary, and which might have been satisfied in the course of a very short period, was treated as if it were of a permanent character; and manufacturers in this country and elsewhere enlarged their power of production accordingly, as if the demand could be expected to continue. This it might very possibly have done if it had not been checked by the falling off in the productive power of the soil above alluded to.

By the operation of these two forces the natural tendency to an equilibrium between supply and demand has been impeded; and to this extent we think that over-production has had a distinct effect in bringing about the depression now complained of.

(66.) The remarkable feature of the present situation, and that which in our opinion distinguishes it from all previous periods of depression, is the length of time during which this over-production has continued.

A temporary excess of supply over demand will naturally occur from time to time in the case of all commodities. The producing power will for the moment frequently outrun the consuming power; but these variations, as we pointed out above, usually correct themselves within a very short period. They carry their own remedy with them, and do no harm to the world at large, though an individual producer may occasionally suffer.

Over-pro-  
duction :

arising from  
inequality  
of agricul-  
tural and  
manufac-  
turing pro-  
duction.

7778.

Intensified  
by results of  
war in  
1870-71.  
6433.

Difficulty in  
accounting  
for continu-  
ance of over  
production  
during so  
long a period.



But it is more difficult to account for systematic over-production continued during a long period, and resulting, according to the unanimous testimony of the witnesses who appeared before us, in little or no profit to the producing classes.

Stimulus of  
protection  
in other  
countries.

(67.) We are disposed to think that one of the chief agencies which have tended to perpetuate this state of things is the protectionist policy of so many foreign countries which has become more marked during the last ten years than at any previous period of similar length.

3730-31.  
6167-8.

The high prices which protection secures to the producer within the protected area naturally stimulate production and impel him to engage in competition in foreign markets. The surplus production which cannot find a market at home is sent abroad, and in foreign markets undersells the commodities produced under less artificial conditions.

The working  
of limited  
liability.

The natural growth of the industries of foreign countries possessing in many cases the population and other resources required for successful manufacturing enterprise has also contributed to produce the same result.

(68.) The relation between production and demand has been further disturbed by the operation of the Limited Liability Acts.

The capital invested in small sums by a large number of individual shareholders in public companies, is as a rule contented with a lower rate of interest than the ordinary producer will require upon the capital which he employs at his sole and unlimited risk.

665.  
5598.

The field which the Limited Liability Acts have opened for the employment of capital has also created a class of "promoters," whose interest lies rather in the creation of an industrial undertaking and the speedy sale of its shares at a premium than in its permanent prosperity. Little consideration is, therefore, given to the important question, whether there exists a legitimate opening for extended production, and for the steady employment of additional labour.

The limitation of the liability tends to encourage a less cautious or more speculative system of trading than can be safely pursued by a trader who is liable to the full extent of his operations. The result is that production is often carried on under limited liability for some length of time at a rate of profit which would have compelled the ordinary producer to have restricted his out-put at a much earlier period.

Even the loss of capital which has resulted from the failure of a large number of these companies has not produced all the effect which might have been expected in curtailing their operations, as the losses are spread over a large number of individuals, and are therefore less severely felt. Moreover, new undertakings are constantly formed upon the ruins of those which have failed, and profiting by the depreciation of the property to which they succeed are able to continue operations on the same scale as before.

We do not offer any opinion as to how far trading carried on under these conditions is beneficial or otherwise to the community; but we desire to note the fact that they have exercised an important influence upon the extent of production and the rate of profit obtainable on the capital employed in it.

Liquidation  
of stocks in  
the hands of  
middlemen.  
7038.  
7092-7.

(69.) A cause of a more temporary character which has tended unduly to increase the quantity of commodities placed upon the market arises from a change in the method of distribution in recent years. More direct and rapid communication between the producer and the consumer has caused the stocks formerly held in intermediate hands to become available for consumption without replacement. The goods so held have, in consequence of this change, been placed upon the market and have increased to an abnormal extent the ordinary supply. We believe that this operation has had more effect in depressing prices and profits than might at first sight be supposed.

Other causes.

(70.) In addition to these special causes, others of a more general character have arisen tending to retard the natural approximation of supply to demand which usually takes place during periods of depression.

Among these may be mentioned the more limited possibilities of new sources of demand throughout the world, and the larger amount of capital seeking employment—  
itself a consequence of the increasing wealth of the nation.

The effect of these causes will, in our opinion, be gradually to minimize those abnormal inflations which used to be described as "good trade," and to render less frequent those severe, though comparatively short, periods of depression known as "panics." In former times over-production was suddenly and palpably arrested by financial disaster, while the recuperative process of a largely extending demand quickly repaired the mischief. In future more stability in the ratio of supply to demand may be expected with a more regular though reduced rate of profit.

(71.) Another element of great importance in the situation is the serious fall in prices, Fall of prices. to which we have above referred. There can be little doubt that production and commercial enterprise are stimulated to a greater extent by rising than by falling prices.

Whatever may be the inconveniences of a rise in prices it certainly encourages a greater activity in production and an extension of credit. When prices are rising capital is constantly endeavouring to find new means of employment; and a spirit of enterprise animates all the classes engaged in commercial operations.

In times when prices are falling, on the other hand, speculation even of a perfectly legitimate kind is checked, and production tends to diminish. Suppose a manufacturer to borrow a fixed sum at a fixed rate of interest. This he has to repay, whatever the result of his operations may be. Meanwhile prices may fall. Not only does he buy his raw material at the higher price and sell his goods at the lower; but he has also to pay interest and repay principal on the higher value; and in addition to this it is found that wages do not respond to such movements as quickly as the prices of commodities.

The trader too is affected in the same way; he does not know what the value of his stock will be at the year's end or what profit he will be able to secure upon his capital; and when trade is crippled it is natural that production should halt.

The fall of prices, which has been in progress during the greater part of the last ten years, has become much more marked in the last two; and its full effect in checking production and depressing trade has therefore scarcely become apparent.

But the slight diminution in the production of some of our leading industries, which we have noticed above (para. 41), affords some evidence that this influence is beginning to operate; and should prices continue to fall we think that a further curtailment of production can hardly fail to ensue.

(72.) We expressed in our Third Report the opinion that this fall in prices, so far as it has been caused by an appreciation of the standard of value, was a matter deserving of the most serious independent inquiry; and we do not therefore think it necessary to investigate at length the causes which have brought it about. But we desire to give it a leading place in the enumeration of the influences which have tended to produce the present depression.

(73.) There can also, we think, be little doubt that the demand for commodities has fallen off in quarters where formerly our goods found a certain and remunerative market.

Diminution of demand for our goods both in the home market—

First, as regards our home market. We have, as above pointed out, suffered a serious loss in our purchasing power by reason of the deficient or unremunerative character of the produce of the soil. Sir James Caird estimates the loss in the purchasing power of the classes engaged in or connected with agriculture at 42,800,000*l.*, during the year 1885, and the loss in several of the preceding years must, no doubt, have been equal to or even greater than this. This amount has been lost to the markets in which it was formerly spent, and cannot fail to have had an important influence upon the demand for manufactured goods.

7673-5.

An effect of a similar kind, though less in degree, has been produced by the increased competition in our own market of foreign manufactured or partly manufactured goods, the importation of which appears to grow at a slightly more rapid rate than the population, having been 1·97*l.* per head in the period 1870-4 and 2·35*l.* per head in the period 1880-4.

To this may be added the falling off in our "entrepôt" trade owing to the increasing tendency of foreign countries to supply themselves directly instead of through our markets.

(74.) Secondly, our trade with foreign countries is becoming less profitable in proportion as their markets are becoming more difficult of access owing to restrictive tariffs. It will be observed from the annexed Table that the value of our exports to the principal protectionist countries was larger, in proportion to our population, in the years 1880-84 than in any of the four quinquennial periods under review, with the exception of the five years 1870-74, during which, as is well known, our export trade was abnormally inflated; while, if due allowance is made for the high range of prices which prevailed in the two earlier of the four periods, it will probably be found that the volume of exports in the years 1880-84 was larger than in any preceding period. But, notwithstanding this increase there can be little doubt that the obstruction to our trade caused by the growing stringency of the commercial policy of those countries tends to make it far less profitable.

126.

## AVERAGE ANNUAL VALUE of BRITISH and IRISH PRODUCE exported to the following countries (in thousands of £).

Years.	France.	Germany.	Spain.	Italy.	Russia.	United States.	Total.	Per Head of Population.
1865-69	10,995	19,964	2,184	5,474	4,147	23,522	66,286	£ 2·18
1870-74	16,156	26,308	3,414	6,388	7,592	33,023	92,881	2·91
1875-79	15,098	20,212	3,442	6,005	6,525	17,991	69,273	2·06
1880-84	16,860	18,082	3,640	6,532	5,984	28,684	79,782	2·26

Further, in neutral markets, such as our own colonies and dependencies, and especially in the East, we are beginning to feel the effects of foreign competition in quarters where our trade formerly enjoyed a practical monopoly.

German  
competition.

(75.) The increasing severity of this competition both in our home and in neutral markets is especially noticeable in the case of Germany. A reference to the reports from abroad will show that in every quarter of the world the perseverance and enterprise of the Germans are making themselves felt. In the actual production of commodities we have now few, if any, advantages over them; and in a knowledge of the markets of the world, a desire to accommodate themselves to local tastes or idiosyncracies, a determination to obtain a footing wherever they can, and a tenacity in maintaining it, they appear to be gaining ground upon us.

(76.) We cannot avoid stating here the impression which has been made upon us during the course of our inquiry that in these respects there is some falling off among the trading classes of this country from the more energetic practice of former periods.

8021.

Less trouble appears to be taken to discover new markets for our produce, and to maintain a hold upon those which we already possess; and we feel confident that, if our commercial position is to be maintained in the face of the severe competition to which it is now exposed, much more attention to these points must be given by our mercantile classes.

Some de-  
terioration in  
quality of  
our goods.

1144.

1211.

(77.) There is also evidence that in respect of certain classes of products the reputation of our workmanship does not stand so high as it formerly did. The intensity of the competition for markets, while in many respects it has legitimately diminished the cost of production, has also tended to encourage the manufacture of low-priced goods of inferior quality, which have not only failed to give satisfaction themselves, but have also affected the reputation of other classes of goods to which no such exception could be taken.

Fraudulent  
marking.

1143-5.

1213-15.

1219-31.

1214.

(78.) The reputation of British workmanship has also suffered in another way by the fraudulent stamping of inferior goods of foreign manufacture with marks indicating British origin.

This appears to be particularly the case with the hardware goods of Birmingham and Sheffield which have secured so wide a reputation in the markets of the world.

We regret, however, to be obliged to add that the practice of fraudulent marking appears from the evidence before us to be not unknown in this country.

Restrictions  
on the em-  
ployment of  
labour.

(79.) Considerable importance is attached by some witnesses who have appeared before us to the effect upon trade of legislative restrictions on the employment of labour and to the action of the working classes themselves by strikes and similar movements in making production in this country more costly than elsewhere.

But we do not think that either of these causes has materially affected the general prosperity of the country.

Comparative  
efficiency of  
English and  
foreign  
labour.

(80.) With regard to the comparative efficiency of labour carried on under the conditions which prevail in this country and foreign countries respectively there would appear to be great difference of opinion. But those who have had personal experience of both appear to incline to the view that the English workman, notwithstanding his shorter hours and higher wages, is to be preferred.

On this point we would call special attention to the communication from Messrs. Holden and Sons quoted by Sir Jacob Behrens in his answer to question 6,754. Messrs. Holden have a large manufacturing business both at Bradford and in the neighbourhood of Roubaix in France; and they state that they can produce "in England at a price leaving a profit, which in France would barely cover cost." Sir Jacob Behrens remarks that "the fiscal policy of France may have something to do with it, but not, in my opinion, so much as the intrinsically greater value of English labour."

11,082.  
13,724.  
14,791-2.

We may add that as Messrs. Holden make their own machinery, and as their business appears to be carried on under substantially similar conditions in both countries, the difference above alluded to must be to a large extent at any rate due to labour.

(81.) But whatever may be the comparative advantage of the longer hours which are worked abroad, we cannot recommend, and we feel satisfied that public opinion in this country would not accept, any legislative measure tending to an increase in the present number of hours of labour.

Condition of  
the working  
classes in  
this country.

There is no feature in the situation which we have been called upon to examine so satisfactory as the immense improvement which has taken place in the condition of the working classes during the last twenty years. At the present moment there is, as we have already pointed out, a good deal of distress owing to the want of regular work, but there can be no question that the workman in this country is, when fully employed, in almost every respect in a better position than his competitors in foreign countries, and we think that no diminution in our productive capacity has resulted from this improvement in his position.

(82.) As regards the future, should any symptoms present themselves that foreign competition is becoming more effective in this respect, it must be for the country and the workman himself to decide whether the advantages of the shorter hours compensate for the increased cost of production or diminished output. We believe that they do, and on social as well as economical grounds we should regret to see any curtailment of the leisure and freedom which the workman now enjoys. No advantages which could be expected to accrue to the commerce of the country would in our opinion compensate for such a change.

(83.) It is, however, right to point out that, while the share of the aggregate wealth produced in the country which now falls to labour is larger than it was twenty years ago, a corresponding diminution has taken place in the share which falls to capital: in other words that while wages have risen profits have fallen; and that this is obviously a process which cannot be continued beyond a certain point. This point has we think been very nearly, if not quite, attained already. A time may therefore come when capital will lose all inducement to lend itself to the work of production; and if the employer is driven out of the field, the labourer will necessarily suffer with him.

(84.) We may add that in our opinion the unfavourable elements in the existing condition of trade and industry cannot with any justice be attributed to the action of trades unions and similar combinations.

Trades  
unions.

The administration of these associations has not infrequently laid them open to criticism; but we feel bound to record our opinion that, in recent years, they have, on the whole, been conducted with propriety and judgment.

(85.) We have no evidence to connect the depression of trade directly with the increase, or with the incidence, of taxation. On the contrary, several witnesses distinctly negatived the allegation of trade having been hampered to any appreciable extent by such taxation.

Incidence of  
taxation.  
2341.  
3836.  
8036.

Of the fact of the increase, especially in local taxation, there is no doubt. At the same time it will probably be found that relatively to the population and the wealth of the country the burden of taxation is now far lighter than in previous periods; and that in this respect we are in a more favourable position than that of the foreign countries who compete with us in the markets of the world.

(86.) Among the causes which are said to have aggravated the prevailing depression, scarcely any have been so persistently put forward as the difficulties connected with the transport of goods.

Difficulties  
connected  
with carriage  
of goods.



The complaints under this head may be divided into three classes :—

- (a.) That the railway companies regulate their charges so as to favour one district or place or trade at the expense of another, and the importer of foreign goods at the expense of the home producer.
- (b.) That the cost of transit in this country is excessive as compared with the charges made for similar services in other countries, and that consequently our home trade is being crippled or destroyed to the advantage of our foreign competitors, who are able to place their goods in our markets at a less expense than the home producers, who carry on their operations at a much less distance.
- (c.) It is contended that if the water communications of the country were properly developed, an effective competition would thus be established which would regulate the monopoly now possessed by the railways.

Preferential  
rates.

(87.) With regard to the first of these points we would observe that even if the allegation made were proved, it could only account for a partial or local depression of trade, and would throw no light on the general depression of the trade of the country which we are considering. What one trade or locality loses must obviously be gained by the trade or locality which is preferentially treated.

While as regards the complaint that goods imported from abroad are carried at lower rates, over identical lengths of line than English goods, it must be borne in mind that if the companies are compelled to withdraw these advantages in the case of imported goods, it may be found necessary to follow the same treatment with regard to the low rates now in force for goods intended for export, and in fact to abolish altogether the so-called "through rates." This would probably meet with as much opposition from the exporter as the existing practice arouses on the part of the home producer.

Excessive  
cost.

(88.) As regards the second point, it is no doubt true that railway carriage on the continent is cheaper than in this country. This is due partly to the lower initial cost of railways on the continent, and partly to the longer distances to be traversed, which make the rate per mile much lower. Until, however, it can be proved that the railway companies are making an undue rate of profit on their capital (now on an average about 4 per cent.), we do not think that any steps could be taken to reduce the charges in this country, which, it must be remembered, have the sanction of an Act of Parliament.

But, apart from this question, we are inclined to think that what is really felt is, not the comparative cheapness of land transport on the continent, but the cheapness of the sea transport between the continent and this country; and we notice that the complaints under this head proceed generally from the inhabitants of inland towns who have no means of transport except those afforded by the railways, and not from those who can bring to bear upon the railways the natural competition afforded by the sea. The inland producer, who can only move his goods by railway, is, in fact, at a disadvantage compared with the foreign producer, or the producer on the sea coast, who enjoys the benefit of the cheaper water carriage.

We can see no justification for depriving the latter class of the natural advantages which their position gives them.

On the other hand, it is fair to point out that the position of the inland producer has been distinctly improved by the introduction of railways, which enable him to compete on much better terms than formerly with those who have the natural advantage of the seaboard.

Water  
communi-  
cation.

(89.) As regards the third point, we find ourselves more able to agree with the complainants; and we think that measures should certainly be adopted, both to permit of the free development of canals wherever they are likely to be useful, and to prevent their being controlled by the railway companies, as appears to be the case in many parts of the country.

Royalties on  
minerals.

(90.) Among the causes of minor or less general importance which are stated to have contributed to the prevailing depression we may mention the excessive royalties alleged to be demanded by the owners of the mineral wealth of the country.

We refer to the subject rather because it is believed by some persons to have con-

tributed to the present depressed condition of the coal and iron industries than because we think it possesses any intrinsic importance.

It is, however, stated that the average amount of royalty on the constituent elements of a ton of pig iron in this country varies from 3s. to 6s. 3d., while in France and Germany it is only from 6d. to 1s. But we see no reason to doubt that the price charged by the owners of the minerals, whatever it may be, is, or at any rate was at the time when it was fixed, the fair market price of the commodity, settled in the same fashion and by the same forces as such prices usually are.

Complaints are also made that the conditions usually attached to mineral leases are of an oppressive or onerous character, and tend to hamper production; but the remedy appears to lie entirely in the hands of the parties concerned, and will probably be applied at the proper time if it is really required.

(91.) Among the minor causes of the depression a place should also be given to the following :—

Minor cause  
of the  
depression.

The demand for railway material, which at various times during the last ten years has been so great not only in America but in other parts of the world, has latterly fallen off.

1991.

The substitution of steel for iron, both in railway construction and in shipbuilding, and the consequent economy of material, is another element of the same kind.

2100-1  
2394.

While the excessive production of shipping in 1882-83 has had its natural result in depressing both the shipping and shipbuilding industries.

If then we consider the combination of (a) bad seasons, (b) fall in the price of agricultural produce, (c) diminished demand for iron in the construction of both railways and ships, and (d) want of employment for the shipping already built, we can account by special or local causes for a depression in a sufficiently large number of important trades and industries to influence all.

(92.) We have now reviewed the more prominent features of our commercial position, and the forces which have contributed to bring it about.

We have shown that while the general production of wealth in the country has continuously increased, its distribution has been undergoing great changes; that the result of these changes has been to give a larger share than formerly to the consumer and the labourer, and so to promote a more equal distribution; that the condition of the large class who depend upon the produce of the soil is unsatisfactory, and the number of the unemployed is a matter of serious importance; but that the general condition of the country affords encouragement for the future; that trade, though less profitable, shows little tendency to diminish in volume; but that owing to the nature of the times the demand for our commodities does not increase at the same rapid rate as formerly; that our capacity for production is consequently in excess of our requirements, and could be considerably increased at short notice; that this is due partly to the competition of the large amount of capital which is being steadily accumulated in the country, partly to the stimulus given to production by the events of 1870-71, which has been maintained longer than was warranted by the demand for commodities, and partly to a falling off in the purchasing power of at least one important section of the community; that our position as the chief manufacturing nation of the world is not so undisputed as formerly, and that foreign nations are beginning to compete with us successfully in many markets of which we formerly had a monopoly.

General  
summary.

(93.) We have also shown that some elements in the situation above described are independent of our own control; namely, the depression in agriculture, which is not likely to exhibit any material improvement until the competition of soils superior to our own has worked itself out; the fall in the rate of profit which it is the natural tendency of the accumulation of capital to effect, unless accompanied by a corresponding expansion of trade or some periodical destruction of wealth such as is caused by a great war; and the protectionist policy of foreign countries. While other elements again are to a great extent dependent on causes within our own power to remove; such as the deterioration in the quality of some branches of our manufactures; the want of care or enterprise which permits our foreign rivals, with less natural facilities or aptitude for production, to compete with us in markets which have been, and might again be, our own; and any defects which may be found to exist in our domestic legislation on commercial matters.

## IV.

We have consequently but few definite recommendations to make.

Cheapening  
of cost of  
production.

(94.) The great object to be aimed at is, we need hardly say, the cheapening of the cost of production so far as it can be done consistently with the maintenance of sound quality and good workmanship. In the competition for business, which has become so intense during the last few years, this will be the only means of securing success; and we have natural advantages in this respect such as are possessed by few of our rivals.

Increased  
vigilance.

(95.) We think also that the increasing severity of the competition of foreign countries is a matter deserving more serious attention than it has received at the hands of our commercial and industrial classes. We cannot, perhaps, hope to maintain, to the same extent as heretofore, the lead which we formerly held among the manufacturing nations of the world. Various causes contributed to give us a position far in advance of other countries, which we were well able to hold for many years; but those causes could not have been expected to operate permanently, and our supremacy is now being assailed on all sides.

But if we do not possess to their full extent the same natural advantages as we formerly enjoyed, we have still the same physical and intellectual qualities which gave us so commanding a lead; and we see no reason why, with care, intelligence, enterprise, and thoroughness, we should not be able to continue to advance.

Search for  
new markets.

(96.) In order to do so, however, it is obvious that we must display greater activity in the search for new markets, and greater readiness to accommodate our productions to local tastes and peculiarities.

Even in matters of so little apparent importance as weights and measures it would seem that our disinclination to adapt ourselves to the requirements of our customers has not been without its effect.

Technical  
education.

(97.) In the matter of education we seem to be particularly deficient as compared with some of our foreign competitors; and this remark applies not only to what is usually called technical education, but to the ordinary commercial education which is required in mercantile houses, and especially the knowledge of foreign languages.

Diplomatic  
and consular  
assistance.

(98.) Suggestions have been offered by several witnesses as to the assistance which might be afforded to our trade by Your Majesty's Diplomatic and Consular Officers abroad, especially in reporting information with regard to the requirements of foreign markets, and in answering inquiries from merchants and others on such matters.

We gladly recognise the efforts which have been recently made to utilise the services of these officers more effectually; but we doubt if their functions could be usefully extended in the direction referred to above. It is very important, having regard to their position and duties in foreign countries, that they should be neither directly nor indirectly engaged in commercial operations, and we fear that inconvenience would be felt if they assumed in any degree the character of agents for mercantile houses.

Any general information which they may acquire with regard to the trade of the district in which they reside, and which is likely to be generally useful at home, should, of course, be reported and made public at once; and this is already provided for in their annual reports. But we should deprecate any change in their position which would bring them into closer relations with individual firms.

(99.) Nor do we think that it would be desirable for them to take a more active part in pressing particular schemes or enterprises set on foot by British traders in foreign countries. The representatives of some of our competitors may have been more active in this respect in some cases than our own consular and diplomatic officers; but such action must, we think, tend to lower the reputation of the country and to diminish the usefulness of the officer concerned.

(100.) As regards the reports themselves, we doubt if any useful purpose is served by requiring an annual report from each consulate. The consul should, we think, be instructed to report any information which appears to him of interest as soon as he obtains it, and it should be as promptly published at home when received. A large proportion of the statistics and tables which now appear in the reports might be omitted without disadvantage, and the reports confined to matters of more immediate and practical interest.

(101.) In connexion with the development of new markets for our goods, we desire to call special attention to the important subject of commercial geography, and to the letter from Commander Cameron, which will be found in the Appendix to this Report. Commercial geography.

(102.) In the course of our inquiry we have frequently experienced the want of accurate statistics with regard to the details of our home trade. We would strongly recommend that steps should be taken to procure fuller information both as to the production of the leading industries of the country, and as to the distribution of our industrial population. Statistics of internal trade.

If annual returns on some or all of these points could not conveniently be prepared, they might be issued at intervals of two, or at most three, years.

(103.) With regard to the group of questions affecting the charges for railway carriage, we think (a) that greater facilities should be afforded to the public for readily ascertaining the rates which the companies profess to charge, together with any modification of those rates which they make in favour of any individuals, or any classes of their customers; (b) that a cheap and effective procedure should be provided for obtaining a legal decision on any disputed point, and for enforcing the decision, when given; (c) that greater attention should be paid to the development of the water communications of the country, and that no railway company should be allowed either directly or indirectly to control or own a canal; (d) that every facility should be afforded by Parliament for the construction of light railways or tramways in those parts of the country which may be found to be insufficiently supplied with the means of communication, or which are susceptible of further development in this respect. Railway and canal transport.

(104.) We think that legislation is also required to make more effective the existing provisions of the law with regard to the counterfeit marking or fraudulent description of goods, and that negotiations should be entered into with foreign countries with a view to obtain similar protection for our manufactures abroad. Fraudulent marking or description.

(105.) We refrain from making any specific suggestions for amending the law relating to limited liability; but we are of opinion that in some respects it is capable of improvement. Limited Liability Acts.

It is most desirable that the creation of unsound companies should be checked, and that in every case where the facilities afforded by the Limited Liability Acts are taken advantage of, the *bona fides* of the promoters should be, as far as possible, ensured.

Several proposals for the amendment of the Acts have been laid before us; but we think that the details of any new legislation on the subject would require to be further considered and discussed by those who have a more practical acquaintance than we possess with the working of the existing law.

To the suggestions which will be found in the evidence of the witnesses on this subject, we may add that the creation of unsound companies might be to some extent restricted if the fee for registration, which is now very low in proportion to the nominal capital embarked, were increased; and the attention of the Legislature might, in our opinion, be advantageously directed to this point, both in the interests of the revenue and of legitimate trading.

(106.) In conclusion, we desire to express our sense of the ready assistance which we have received in the course of our inquiry from the several bodies and individual witnesses whom we have consulted; and we would also commend to the careful attention of all classes of Your Majesty's subjects the valuable and complete collection of information as to the economical condition and prospects of the country which will be found in the appendices to our several reports, and a list of which is annexed to this document. We think that while, on the one hand, the information which we have been able to collect will tend to dispel much of the misapprehension which appears to prevail on the subject of our commercial position, and to encourage a more hopeful view of the situation, it will also show that if our position is to be maintained it must be by the exercise of the same energy, perseverance, self-restraint, and readiness of resource by which it was originally created. Conclusion.

If our labours should tend in any degree to the promotion of this result, we venture to think that they will not have been entirely thrown away.

(107.) We desire to place on record our sense of the valuable services which our Secretary, Mr. G. H. Murray, has rendered to us throughout the progress of our inquiry. Besides the labour of keeping the Commission properly supplied with the oral and written evidence which we required, and the material assistance which he has given in the preparation of the Report, he has had to conduct a voluminous

correspondence on our behalf, and to obtain for us information of importance to our work, and to digest it for our use. We have abundant reason to bear testimony to his industry and his ability.

Our Assistant Secretary, Mr. T. H. Elliott, has also given us the fullest satisfaction, and merits our warm acknowledgments.

All which we humbly submit for Your Majesty's most gracious consideration.

(Signed)	IDDESLEIGH.	*HENRY H. GIBBS.
	*G. SCLATER BOOTH.	*W. H. HOULDSWORTH.
	JOHN AIRD.	W. L. JACKSON.
	JAMES J. ALLPORT.	*GEO. AULDJO JAMIESON.
	*T. BIRTWISTLE.	*R. H. INGLIS PALGRAVE.
	*LIONEL L. COHEN.	*CHAS. M. PALMER.
	*JAMES P. CORRY.	WM. PEARCE.
	DAVID DALE.	*BONAMY PRICE.
	C. J. DRUMMOND.	*SAMUEL STOREY.

GEO. H. MURRAY,  
Secretary.

21st December 1886.

\* Subject to the reservations and remarks set forth below.

We have signed the above Report, but we feel it necessary to append some observations upon it.

(1.) We think that the tone of the Report is too optimist; that it minimises the depression which the evidence submitted to us proves to exist in almost every branch of the trade and industry of the country.

We think that in estimating the condition of the country too much stress has been laid on the volume and value of our foreign trade and too little on the unprofitable conditions under which a large proportion of it is conducted.

The gist of clauses 34 to 42 and 54 to 55 appears to be that it is of subsidiary importance whether trade is profitable or not, if only wealth is more widely and more evenly distributed.

But it appears to us that it is profitable industry which is the source of wealth, and that if, as the evidence shows, much of the industry of the country is now carried on at a minimum of profit, and much at an absolute loss, the stimulus of profit being removed, production must ultimately diminish, and reproductive wealth cease to be created.

When that happens those classes on whose improved material welfare we now congratulate ourselves will feel the change more keenly than any other class, and the diminution of the amount available for the remuneration of labour will press most heavily on the artisans and labourers, whose wages are even now beginning to decrease.

This is already specially apparent in the case of the agricultural labourer, whose own natural employment is diminishing, and who fails to find adequate employment in other industries, as is shown by the table given in paragraph 40 of the Report signed by Lord Dunraven and Messrs. Ecroyd, Lubbock, and Muntz.

We disagree with the last four lines of the first clause of paragraph 33, and would substitute the following words: "The depression in particular industries and among particular classes of producers must be considered as an indication of a corresponding national loss; but if, as we are told, the aggregate wealth produced is growing at a more rapid rate than the population, and the accumulation of capital tends to increase, even though less rapidly than in former years, it is satisfactory to know that there is some alleviation of that loss."

(2.) We dissent from the second clause of par. 87 for the following reason:—

The real grievance complained of is that the preferential rate granted to foreign goods operates to the prejudice of the native producer, and it is urged that certain privileges having been conceded by the State to the railway companies, they should be debarred by law from using such privileges in a manner which is prejudicial to native industry, and places that industry under special disadvantage as compared with similar



foreign industry. It is no justification for such a proceeding to urge that the native exporter is benefited by a preferential outward system of rates; it may or may not suit the companies to stimulate certain native industries, and facilitate the export of certain native manufactures by exceptionally low outward rates of freight; that is a question which, as long as no one is aggrieved, the State can leave the companies and the traders to arrange between themselves, but the grant of such concessions by the companies does not constitute any ground for the maintenance of preferential rates which are found to benefit the foreign producer at the expense of the native producer, and, in fact, to impose a bounty in favour of foreign produce. We are of opinion that where this system is found to prevail it constitutes such an undue preference as should be prohibited by law in the same manner as undue preference is prohibited as between one individual trader and the other.

(3.) We dissent from paragraph 88, and substitute the following paragraph in lieu thereof:—

As regards the second point it is no doubt true that railway carriage on the continent is generally cheaper than in this country, although in the important commodities of coal and iron the difference in rate is merely fractional. The lower rates prevalent abroad are due partly to the lower initial cost of railways on the continent, and partly to the longer distances to be traversed, which spreads the haulage charges over a longer mileage, thereby enabling the companies to carry at a lower rate per mile. On the other hand, the service is carried on here with greater rapidity and frequency than on the continent. Except where charges are found to prevail which by a suitable tribunal may be held to be unduly preferential, we do not think that any present steps should be taken to reduce, compulsorily, the rates which Parliament has sanctioned as the maximum rates which may be charged in this country.

But, apart from this question, the comparative cheapness of sea as compared with land transport must always constitute an advantage to seaport towns in this country as compared with inland towns; it should be left to the railway companies to stimulate, in their own interests, the production of the inland producer, who can move his goods only by railway, and thus is at a natural disadvantage, as compared with the producer on the sea coast who enjoys the benefit of cheap water carriage. The so-called "through rates" in so far as they operate on the inward rates of railway carriage in this country tend in a direction exactly opposite; and while there appears to be no justification for the adoption of a general equalization of all rates of railway carriage by the introduction throughout of equal mileage rates, there appears no adequate reason for penalising the position of the inland producer by preferential concessions which operate as a bounty to foreign producers.

Even as it is, the position of the inland producer has by the introduction of railways become less unfavourable than formerly, relatively to the position of those producers who have the natural advantage of seaboard; and the construction of light lines of railway running at low rates of speed, and of tramways, would undoubtedly tend still further to benefit the inland producer.

We consider the following additional item (e) required at the end of paragraph 103:—

That preferential abatements made in the rates of railway carriage in favour of foreign goods shall be considered as liable to compulsory revision by the proper tribunal on the ground of "undue preference" in the same way as preferential rates between one individual and another are now adjudicated upon.

G. SCLATER BOOTH.  
LIONEL L. COHEN.  
HENRY H. GIBBS.  
GEO. AULDJO JAMIESON.  
R. H. INGLIS PALGRAVE.

---

I concur with that portion of the foregoing remarks which relates to the 87th, 88th, and 103rd paragraphs of the Report.

W. H. HOULDSWORTH.

---

I have signed the Report of the majority of the Commission, but I find myself compelled to dissent from several of its paragraphs.

1. I adopt the observations of Messrs. Sclater Booth, Cohen, Gibbs, and Palgrave on the paragraphs of the Report therein referred to.

2. I dissent from the summary of the causes, to which the evidence attributes the existence of depression, contained in paragraph 28, because it does not give due prominence to the emphatic expression and wide consensus of opinion that the disturbance of the relations of the precious metals to each other and to other commodities, variously attributed to a falling off in the supply of gold and to the larger supply of or diminished demand for silver, has exercised and continues to exercise an important, and, in the opinion of some of those best qualified to judge, a paramount influence on the origin and continuance of this depression. I think the notable precedence given to this "cause" over all the other causes of depression ought to have been emphatically recorded.

3. I dissent from the interpretation put in paragraphs 34 to 47 on the figures and statistics therein quoted, and from the partial, and therefore erroneous, view of the condition of the trade and industry of the country which is thus presented.

The figures quoted from Mr. Giffen's Report (paragraph 37) betoken an increased extent and augmented activity of trade between 1873 and 1883, measured by the difference between a volume of 626,000,000 in 1873 and 861,000,000 in 1883, being 235,000,000. The actual difference in value between the trade of 1883 and 1873 was really 51,000,000 the additional difference here shown is ascribable to the fall of price between 1873 and 1883, which in the official returns as made conceals the increased volume of the trade.

These figures illustrate clearly and prove conclusively the continued growth of the trade of this country in volume and its activity; but the mere activity of trade and even the increase of production referred to in paragraphs 33, 36, 37, and 41 are by no means necessarily synonymous with prosperity; and it is the prosperity of trade that redeems it from depression.

The 235 millions of increase of 1883 over 1873 is due to the increase of 141 millions in the imports and of 94 millions in the exports.

To this 141 millions of increase of imports, agriculture and sugar contribute about 57 millions, thus :—

	1873.	1883.
Animals and meat - - - - -	11,254	20,232
Butter - - - - -	6,955	12,090
Cheese - - - - -	4,061	5,381
Corn - - - - -	51,672	84,108
	73,942	121,811
Sugar - - - - -	21,160	30,142
	95,002	151,933

These are important figures, because while the whole volume of the imports of 1873 are dealt with in the Report, amounting to 371 millions, the actual adjustment of prices is made by Mr. Giffen with respect to only 308 millions; the two items here dealt with therefore represent nearly one third of the whole imports of 1873, to which the observations in paragraph 37 can strictly apply.

It cannot be affirmed that the vast increase of the trade of this country, which these figures represent, imply any national prosperity in those branches of trade which are concerned in the production of meat, cereals, and sugar; if, then, we desire to extract from these figures any meaning to illustrate the depression of trade, or the reverse, it

is necessary to supplement them with other figures, in order fairly to illustrate the true effect of the phenomena they record.

From the agricultural statistics, 1886, p. 114, it appears that, as contrasted with the average of 1871-75, the acreage in the United Kingdom under the several crops in 1883 was as follows:—

Acreage in wheat, barley, rye, beans, peas, turnips, and vetches was diminished by 1,524,600, which at 8 <i>l.</i> per acre represents -	£	12,196,800*
Acreage in mangold and cabbages was diminished by 43,000 acres, which at 10 <i>l.</i> per acre represents -	£	430,000
Acreage in potatoes and carrots was diminished by 151,000 acres, which at 15 <i>l.</i> per acre represents -	£	2,265,000
Decrease -	£	14,891,800
But the acreage in oats was increased by 137,000 acres, representing at 8 <i>l.</i> per acre -	£	1,096,000
And the acreage in grass was increased by 2,133,000 acres, representing at 5 <i>s.</i> an acre	£	533,250
		1,629,250
Net decrease -	£	13,262,551
There was a falling off in the number of sheep of 4,845,000, which, at 35 <i>s.</i> each, represents	£	8,478,750
But an increase in—	£	
Horses, 78,000 at 30 <i>l.</i> -	£	2,340,000
Cattle, 165,000 at 16 <i>l.</i> -	£	2,475,000
Pigs, 198,000 at 2 <i>l.</i> -	£	396,000
	£	5,211,000
		3,267,750
Diminution -	£	16,530,000
The total acreage under crop in 1883 was 15,034,000, and the reduction of the value of the produce of these acres between 1873 and 1883 was on an average, say, 2 <i>l.</i> per acre, or -	£	30,068,000
And the acreage in grass was 31,660,000, on which a reduction of even 1 <i>s.</i> an acre represents -	£	1,583,000
	£	31,651,000
Adding the loss on reduction of acreage together as above	£	16,530,000
The total difference is	£	48,181,000

The difference in the value of the imports of food between 1873 and 1883 is, as shown above, 47,869,000*l.*

There is obviously a wide distinction between the nature of the two amounts which together make up the 48 millions of difference in our native production; to the amount of 16 millions, these figures denote absolute extinction of wealth in 1883 as compared with 1873; to the extent of 32 millions, they represent fluctuation of return, which may be compensated by some corresponding reductions in items of cost; but the contrast of an increased volume of 48 millions in value of imports, with a fall of 48 millions in value of the same articles produced at home, must have some material bearing on the question of national industry and prosperity.

The diminution of acreage under crops between 1883 and 1885 is 450,000 acres, and the falling off in price of cereals is measured by the difference between 4*l.* 14*s.* 10*d.* in 1883 and 4*l.* 3*s.* 7*d.* in 1885, or upwards of 11 per cent. of further reduction. The contrast between 1873 and 1885 must be much more emphatic than between 1873 and 1883.

\* The rates per acre are taken on the basis of calculations given in the Scottish Agricultural Gazette of Dec. 3, 1886, p. 454.

In the Farmers' Almanack for 1887 Mr. Little, the Chairman of the Farmers' Club, gives the following statement of the—

*Gross Value in Great Britain of*

	Year 1885.	Average of 1876–85.	Average of 1866–75.
	£	£	£
Wheat - - - -	15,922,000	21,960,000	33,530,000
Barley - - - -	14,901,000	16,994,000	18,964,000
Oats - - - -	13,941,000	15,481,000	16,911,000
Beef - - - -	22,048,000	22,872,000	21,544,000
Mutton - - - -	18,284,000	21,596,000	22,136,000
Wool - - - -	4,951,000	6,838,000	11,833,000
Totals - - - -	90,047,000	105,741,000	124,918,000

As these figures apply only to Great Britain they corroborate the calculation given above which includes Ireland.

Whatever deduction, therefore, may be drawn from the increase of our imports in 1873 and 1883, which to the extent of 48,000,000*l.* arises from an increase of the imports of agricultural products brought from abroad must be qualified by taking into account the 48,000,000*l.* of diminution in the value of our agricultural produce at home.

Under natural and salutary conditions of trade so great and so abnormal a development of imports, due to no increment of demand, but to a restriction of native production, must have resulted in a corresponding and presumably profitable development of our exports; the exceptional adversity of our agriculturists ought to have been compensated by the exceptional prosperity of some other industries; our buying to the advantage of America and India ought to have been met by our selling to our own advantage; the labour dispensed with by agriculture ought to have made its effect apparent in the growth of other branches of employment.

No doubt the activity of trade evinced by the increased importation of 57,000,000*l.* worth of produce in 1883 did benefit the consumers and the shippers, brokers, and bankers engaged in the transport of, and the compensating export resulting from, the disposal of these imports; but even if the extent of that advantage were more conspicuous than it is, the trade of the country as a whole can be affected only by a fringe of that 57,000,000*l.* produced abroad; the foreign produce of course derives the chief benefit; and as tending to prove a prosperous trade in this country, the testimony of that figure is therefore feeble when confronted with the evidence of the depression of native production which the figures deduced from our own agricultural statistics afford.

It is needless to pursue the same course of proof to demonstrate that the increase of 10,000,000*l.* in the importations of sugar is concomitant with an intense depression of the Colonial sugar industry and of the sugar refining industry in this country.

Searching, therefore, for the profitable compensation due from the exports for the increase of our imports, resulting in the necessarily unprofitable restriction of our native agriculture, we find that the increase of exports between 1873 and 1883 is stated at 94,000,000, but the comparison between the enumerated articles shows:—

	£
Value of enumerated exports of 1873 - - -	171,902,000
Value of these exports of 1883 at prices of 1873 - - -	212,554,000
Increase - - - -	<u>40,652,000</u>
And of this increase there arises from an increase in the exports of coal - - - -	9,831,000
And from an increase in the exports of iron - - - -	7,852,000
Together - - - -	<u>17,683,000</u>

Is it possible to find in these figures any evidence of real prosperity in the trades to which they apply? It is notorious that coal and iron have of late yielded no adequate return on the capital engaged in these industries and only a meagre recompense for the labour employed. The price of coal in 1873 and the two following years was 20·49s., 16·98s., 13·10s., and in 1883 and the two following years it was 8·83s., 8·99s., 9·20s. The price of iron in 1873 and the two following years was 124·65s., 94·67s., 72·80s., and in 1883 and the two following years 55·38s., 56·45s., 52·14s., and in 1886 prices have ruled still lower.

The export of coal and iron can be advantageous to this country only if the commodities obtained in exchange compensate for the commodities exported.

If the price obtained for a ton of coal just meets the cost of raising and selling it nothing remains to defray the capital expended in reaching the coal, and either that capital is lost or it remains an enhanced burden, to be defrayed by an increased charge on each ton of coal to be hereafter raised. It does not follow (*see* paragraph 40) that increased exports of such native commodities as coal and iron are indicative of national prosperity unless it be at the same time ascertained that the return obtained replaces the capital expended and compensates the labour used up; the country is poorer and not richer when it exports its native commodities at less than it costs it to procure them, poorer either by losing capital or by having a heavier burden than properly belongs to it imposed on the future of its industry and enterprise.

I am satisfied, therefore, that the increment in the volume of the exports of coal and iron, which is the most notable compensation for the increment of the imports of foreign food, affords no compensation in its profitable result for the great loss sustained by the agriculture of the country. On a proper balance the depreciation of machinery and the great fall in the value of the capital engaged in these trades in the period between 1873 and 1883 will sweep away all the apparent profit with which they can be credited.

But the figures given in the paragraphs of the Report from which I dissent as therein used profess to meet this difficulty and challenge observation not only as regards the extent and growth of the exports and imports, but also as regards the profit with which the trade of the country generally has been and is being conducted. While recognising (paragraph 44) the complaints of absence of profit universally made the Report points out that these complaints are not supported by the income tax statistics, from which it would appear that the country enjoys unimpaired, if not enhanced, prosperity; and it must further be recorded that this evidence of the income tax statistics is corroborated by that afforded by the death duties. To some extent the discrepancy between the evidence of these figures and the universal sense of the country is capable, as stated in the Report, of explanation by the increased severity of collection. To a considerable extent I believe it to be due to the power of attraction which this country has upon the fortunes of its successful colonists, whose harvests, realised in the brilliant times of the last quarter of a century, tend to gravitate towards the mother country, and thus notably enhance the income tax and the death duties from sources independent of native enterprise and attributable to a prosperity which is past; still there remains a great hiatus between the evidence of these fiscal statistics and the practical experience of those who gave evidence before us and who could gauge the real condition of commercial affairs.

To a very large extent the explanation as regards the income tax returns may, I think, be afforded by the fact that in dealing with them we must have regard to the principles of the taxation which they record; the income tax in this country is levied as an *income* tax, not as a *property* tax; and it, therefore, in practice, excludes all consideration of (1) losses and (2) diminution, or disappearance of capital. It is therefore quite conceivable that a rich country, taxed as Great Britain is, may exhibit a steady growth in income assessed to tax from the accumulations of its passive wealth, while its active capital is unproductive, and is itself oozing away.

If the income tax in this country were levied as some such taxes are in America, on the capital value of the property of the citizens, I venture to believe that the records of the tax would tell a very different tale from that which the figures quoted in this Report record.

Sir James Caird said that of 65,000,000*l.* of British rental, 20,000,000*l.* has gone; he also said that in Scotland, where the returns are made with scrupulous accuracy, they showed no evidence of any reduction from the rental between 1875 and 1884 (7728); so that a real reduction of nearly a third in value has had as yet no effect on these returns most accurately compiled. But if the capital value were taken as the basis of calculation, a reduction of 20,000,000*l.* a year must at 27 years' purchase represent

*See also*  
First Report,  
p. 214.



such a reduction as would sweep away all the apparent assessment levied on lands ; and justly so, for a property which loses 30 per cent. of its capital value cannot be said to yield any profit at all until that loss is replaced : there can be no real profit made at the expense of capital. I would refer also to Sir James Caird's evidence, where (No. 7673) he makes out the tenants' loss of income at 20,000,000*l.*, which must represent a large encroachment on their capital ; but the income tax returns afford no record of such losses to neutralize the growth of the passive wealth of the country.

These considerations go far to diminish the weight due to the testimony afforded by the official statistics of the comparative expansion of the trade of the country, and the apparent steadiness of profit yielded by that trade. These figures indeed exhibit only one side of the national balance sheet ; and if we desire to ascertain the true condition of trade we must against the increased volume of trade and the steadiness in the returns of income tax place the losses which escape the notice of the tax gatherer, and the vast diminution and depreciation of the value of capital actively engaged in trade, which no returns disclose.

The reference to the evidence afforded by the income tax returns is, in my opinion, incomplete ; the Report represents the growth of the income tax for the last five years as uniform and steady, but, as compared with the former history of the tax, its rate of progression has been suddenly arrested. This appears from the following table contributed by Mr. Sauerbeck to the Journal of the Statistical Society, Sept. 1886, p. 624.

*Income so far as Assessed to the Tax.\**

—	Assessed.	Increase in each Period.	Population.	Increase of Population in each Period.	Income Assessed per Head.	Increase in each Period, allowing for Increase of Population.
	Million £	Per Cent.	Mill. and Dec.	Per Cent.	£ and Dec.	Per Cent.
1845 - -	264†	—	27·8	—	9·5	—
1855 - -	308	16·6	27·8	—	11·1	16·8
1865 - -	396	28·6	29·9	7·6	13·2	18·9
1875 - -	571	44·2	32·7	9·4	17·5	32·6
1885 - -	651‡	14·0	36·3	11·0	17·9	2·3

\* Income assessed to tax excludes all incomes under 100*l.* and since 1876 under 150*l.* At present the total income of the country is estimated at over 1,200,000,000*l.*

† Real figure 244,000,000*l.*, excluding Ireland, for which 20,000,000*l.* are added.

‡ Real figure 681,000,000*l.*; exemption raised in 1876 from 100*l.* to 150*l.* by which it is estimated that about 20,000,000*l.* were excluded.

Whilst allowing for increase of population there was an increase in income so far as assessed to the tax in the first period of 17, in the second of 19, in the third of 32½ per cent. (altogether in 30 years of 84 per cent.); the increase in the last 10 years only amounts to 2⅓ per cent. Besides, the returns for 1885 show partly the income of 1883 and partly the average of 1881–83, and it would be curious if the returns for 1886–87, reflecting the income of 1884 and 1885, would not give more unfavourable results.

If these elements to which I have adverted were all brought into computation the results would, I fear, be more in accordance with the general sense of the community than those which are prominently set forth in this branch of the Report.

4. I dissent from the statement in paragraph 54 that capital on the whole has continued to accumulate. I think there is sufficient evidence that while capital as represented by money and securities has continued to accumulate throughout the period which is described as depressed, there has been a very large depreciation in the value of those important forms of capital actively engaged in trade and industry which most conduce to the real prosperity of the country.

Nor is accumulation of capital necessarily and by itself evidence of prosperity ; it presents only one side of the balance sheet ; and on the other we may find and do now experience stagnation and distrust, at once the consequence and the cause of no small part of this accumulation.

5. I dissent from the inference drawn in paragraph 56 from the figures there quoted. It is probably the fact that the income taxpayers in the lower sections have increased more rapidly than the large capitalists, but the figures quoted do not convince me of this. It will be observed that the tendency referred to characterised only the former

of the two periods which are contrasted with 1874-75. Thus the decrease of 170 in the case of incomes over 5,000*l.* is really the result of a decrease of 627 between 1875 and 1880, modified by an increase of 457 between 1880 and 1885; the inference from these figures would be that the tendency referred to did operate during the earlier period, but has ceased to operate in the later; and it will be observed that the difference in incomes of 200*l.* to 1,000*l.*, which is the main feature of the table, and results in the large per-centage of 32·85, is due mainly to the increase between the two former periods. The rate of increase between 1880 and 1885 hardly, if at all, exceeds the general rate of increase common to all the divisions on the tables.

6. I dissent from the terms of paragraph 68, in respect that it does not adequately represent the evils attributable to the abuse of limited liability; not only is the result that production is often carried on under limited liability for some length of time under circumstances which would have compelled the ordinary producer to restrict his output or cease his operations at a much earlier period, but concerns which would formerly have succumbed are not infrequently galvanised into an existence of doubtful utility by being transformed into companies with limited liability.

I am farther of opinion that there is room for doubt whether the advantages and privileges conferred by incorporation have not been made available by some of these companies for purposes and to an extent not contemplated when the Acts relating to limited liability were passed, and in a manner detrimental rather than beneficial to that public interest which ought to be the only reason and motive for the Legislature conferring the privilege of incorporation.

7. I dissent from paragraph 70, in respect that it fails to emphasize the danger arising from the systematic disregard in modern trade of the maintenance of any due ratio between supply and demand. This maintenance of the stability of the ratio between supply and demand was deemed of paramount importance when in ancient times trade and industry were more directly and thoroughly under the sway of the traders and artisans themselves in their guilds, and it is instructive to note that the same principle is in accordance with the views and wishes entertained and expressed by the trades unions of the present day, who desire a uniform and continuous employment rather than fitful bursts of overwork, even liberally remunerated, to be compensated by periods of comparative idleness and poverty. I think some method where by mutual accord, consultation, and action between employers and employed could be restored would have a marked effect in maintaining that salutary equilibrium between supply and demand the desire for which finds somewhat inarticulate expression in the complaints of over-production.

8. In addition to the observations on paragraphs 87 and 88, which I have made along with Messrs. Sclater Booth, Cohen, Palgrave, and Gibbs, I desire to say that I see no reason why under a well-organised system of local government powers may not with advantage be conferred on local authorities to contribute to the formation of cheap railways or tramways in districts where for any adequate reason they are desired; and I believe that their formation, or the threat of their formation, combined with the emancipation of the canal traffic, on existing as well as future canals, from the control of the railway companies would be sufficient to remove most of the complaints for which there is any just ground.

9. I dissent from paragraph 90, in respect that, while it contrasts the rates of royalty paid in this country with those paid in foreign countries, it fails to record that we have had evidence (Nos. 3563, 2355, 12,180, 12,210, 12,295) that in those countries concessionaires are interposed between the State, which is the real owner of the minerals, and the actual lessee; and we have therefore no means of ascertaining how much of that proportion of the produce of the minerals which in this country falls to the landowner, in these other countries falls to the first lessee or exploitateur, remaining equally in both cases a burden on the producer.

I am of opinion that it appears from the evidence that it would be just and of advantage to the community and to trade that under the control and direction of some public authority conterminous proprietors should be obliged on fitting terms to afford facilities for the working and removal of minerals in their respectively adjacent properties.

10. I dissent from paragraph 105 in respect that the remedies it suggests for the evils attributed to limited liability are inadequate. I am of opinion that the law relating to companies with limited liability admits of several material improvements. No company with limited liability should be allowed to commence business until a certain proportion of its capital is subscribed, and a reasonable proportion thereof paid up.

No company with limited liability should have power to borrow on bond or debenture beyond the limit of its uncalled capital and one third of the capital paid up.

Every company with limited liability should have a reserve liability of 25 per cent. of the nominal amount of each share attached to its shares, to be called up only on liquidation.

The imposition of a heavier charge for registration, would not, in my opinion, supply any adequate restraint on the formation of questionable companies. Should it be deemed advisable for fiscal or other reasons to extend to other classes the system of license now applied to bankers and solicitors, there will be every reason why limited liability companies, which owe their corporate existence to privileges conferred by legislation, should be subjected to such taxation, and this might indirectly effect a salutary check on companies of questionable character which might readily provide the initiatory cost of a special fee for registration but would experience more difficulty in defraying the cost of a periodical license.

11. I think that between paragraphs 105 and 106 a paragraph should have been inserted emphasizing more clearly a sense of the condition of agriculture. Between 1871 and 1881 there was a falling off of 10 per cent. in the number of farmers and of agricultural labourers in the face of a large increase of population: the decrease in cultivation between 1881 and 1886 has proceeded much more rapidly than between 1871 and 1881, and it is certain, therefore, that there must be a large reduction in the number of those who derive their livelihood from industry applied to agriculture.

Of the three factors which have hitherto contributed to agriculture, and have lived upon it, the farmers are much the best off; except in those cases in which they are fettered by leases, and often even then, they can shake themselves clear of their interest in the soil and retire with, no doubt, impaired, but not exhausted, resources, or continue in diminished numbers to cultivate deteriorated land at reduced cost, but not necessarily reduced profit. But the landowner at the one extremity and the labourer at the other, virtually tied to the soil, must share the loss between them, and it seems as if the greater share of it must fall on the latter and the weaker. The landowner will find a considerable compensation for his diminished rental in the reduction of expense of upkeep which cultivation reduced in area and in character will permit; but the distress of the agricultural labourer and the destruction of his means of livelihood must act immediately on all other industries, not only by diminishing consumption but by introducing additional competition into the labour market, already overstocked. It is impossible to contemplate such a radical change, affecting so important a section of the community, without grave concern for all those whom it must affect than finds expression in this Report.

12. I am further of opinion that the Report is defective, because it contains no proposal or suggestion tending to apply remedy to those evils, of which foreign sugar bounties are the notable example, which are capable of redress, and which threaten, if unchecked, to prove the ruin of important industries in this country.

The two chief causes to which the evidence adduced before us has attributed the prevailing depression have been the disturbance of the standard of value and the effect of foreign tariffs, especially in the form of bounties.

We, in my opinion most wisely, humbly represented to Your Majesty that the inquiry into the former of these causes should be devolved on a Commission specially qualified to investigate that abstruse and technical subject.

I think we ought to have ourselves more closely and deeply investigated the second of these causes.

I must attribute the comparative reticence and the apparent apathy of the Report on this subject to the reluctance of the Commission as a body to enter on any inquiry which could tend to a conflict of opinion on the question of free trade; but it seems to me impossible to deal with this matter, which is thrust on our notice very forcibly by the evidence, without grappling to some extent with that question. I think the reluctance to deal with it is due greatly to misconception; controversy cannot touch the axioms which combine to form the principle of free trade; it is the efficiency or the imbecility of the method which applies that principle to the practical business of the country which may be questioned; if a beneficent principle fails to accomplish beneficent results the fault must lie with those who have to put it into practical operation.

That there is some delinquency is apparent from the evidence. Free trade justly credited with every capacity for good comes before us in much of this evidence laden with the broken promises and disappointed hopes due to the extravagant advocacy of its early supporters. It was to convert the world; and after forty years no nation of importance has adopted it, and some have abandoned it. It was to confer great benefits on its votaries, and corresponding evils were to assail those who rejected it.

The prosperity we enjoyed was shared while it lasted with other nations, and the ratio of their advance not infrequently outstripped our own; the depression which other nations have suffered we have shared with them, though we alone have had the benefit of free trade. Enterprise was to be paralysed and invention stifled where free trade did not prevail; but Germany has rivalled, if not excelled, us in enterprise; and America has been more prolific of invention than any other nation; and to neither Germany nor America has free trade contributed its stimulus. A system which can confer prosperity on its votaries only when those who abjure it are also prosperous, and which permits depression to assail with strict impartiality those who adopt and those who reject it, appears to me either to have much reason to complain of the method of its application or to require some farther justification than those arguments which prevailed before prophecy was falsified by history. I think, therefore, that it is much to be regretted that any attempts to reconcile the results of free trade with its beneficent principles, and to reduce it to its proper level as the weapon and not the master of true statesmanship, are so keenly resented by those who are most jealous of its reputation; they seem to have passed into that phase of opinion when inquiry is deemed pernicious, and men allow themselves to become the slaves of doctrine; their zeal for the dogma outweighing alike consideration for its truth and concern for its effects.

No system of human politics or economics can be *absolutely* true; it can be true only *relatively* to the circumstances and conditions of the society to which it is applied. What was true in a political sense, *i.e.*, good, in the thirteenth century would be untrue, *i.e.*, inapplicable, in the nineteenth; what in a political sense is true in London would be in a similar sense untrue at Honolulu. No investigation, therefore, could in my opinion have been more useful and none more profitable as bearing on the depression of our national industry than an inquiry whether the circumstances of 1886 are in all respects equally appropriate as those of 1846 to the adoption and application of free trade precisely as it was then adopted and applied.

The conspicuous instance of the oppression of a native industry by foreign fiscal regulations which has been brought under our notice is the bounty on the exportation of sugar from those countries in which of late, under a system of high protection, the manufacture of beetroot sugar has been largely developed. It seems to be matter of doubt, and therefore for inquiry, whether this system of bounty is the accident or a necessary incident of the protective policy of those nations, or is due to a design to injure and invade British industry; but whatever may be its origin or motive its effect according to the evidence has been highly detrimental to the British Colonies, and virtually destructive of the sugar industry in this country.

A wide distinction must be drawn between that protection to which a foreign country resorts in order to raise its revenue, or, under however erroneous a belief, to protect and foster its own industries and that form of protection which is calculated, if not designed, to invade the industries of this country. We can have no reason to resent the former and no desire to copy it. But it is the first duty which a State owes to its citizens to protect their industries from invasion, and a Government which confesses its impotence or professes its reluctance to fulfil that duty abdicates one of its primary functions.

It is no doubt alleged that the true effect of these bounties is beneficial to this country; that the foreign countries tax themselves for our benefit, and enable our consumers to enjoy the advantages of sugar at an abnormally low price; so that the longer they continue that policy the better for this country generally, although a portion of the community may suffer by the extinction of its industry. But no Government has dared openly to avow this cynical policy. Every administration has striven by diplomacy to procure the abolition of a system which has been recognized as oppressive to British industry; that is to say, every administration has deemed it its duty to urge on foreign governments what if adopted would have had the effect of depriving British consumers of that advantage of abnormally cheap sugar they now enjoy just because that was incompatible with the fair treatment of our own industry or at any rate detrimental to its just interests.

These diplomatic efforts have failed; the question therefore which those who continue to suffer from these bounties have presented to us is whether legislation can effect what has baffled diplomacy. It is this appeal for legislative aid which the evidence shows is by many so keenly resented; yet if diplomacy was right in its object how can legislation directed to the same purpose be wrong? Is it only the method that is obnoxious?

The evidence before us supplies proof that the system so injurious to one industry threatens to affect others.

Shipbuilding is already subjected to attack, and there are other industries far more vulnerable which would certainly succumb if subjected for five years to the treatment which has proved so fatal to sugar.

I am further of opinion that the Report is defective in having failed to point out that it is only a question of time when this system of bounty, if persevered in, although at present it seems to injure only the industries and apparently benefits the consumers, will come to injure the latter; the astute politicians of foreign countries, who for the present deem it advantageous to tax their citizens in bounties which enrich our consumers, are not likely to continue that policy after it has effected its purpose, and the industries have been transplanted from this country to theirs. When that is done, the same ingenuity which has thus accomplished its purpose will readily devise a method of making the British consumer recoup to the foreigner the sacrifices of the past; and it will be vain to expect British capital—proverbially timid and now made justly distrustful—to re-embark in enterprise which the British Government was impotent to defend.

It is at this point that I have found myself unable to adopt the conclusions at which Mr. Ecroycd and those who concur with him have arrived. I do not feel that we have sufficient information as to the origin, motive, and operation of these foreign tariffs to enable us with safety to recommend any definite course in order to counteract their effects. I think we ought to have prosecuted inquiry to have enabled us to offer such recommendations. I am not satisfied that strictly countervailing duties would be effectual; and I am sensible that their application would be difficult.

On the other hand, I think our Report ought to have recorded in very distinct terms that the evidence before us had shown that these foreign bounties have proved highly injurious to one important industry; that there is evidence of their tendency to extend them so as to affect other industries; that they are regarded by a large section of the industrial community as fraught with danger; that those apprehensions are not without foundation; that if persevered in and extended these bounties must prove injurious to other industries and ultimately to the consumers also; that the efforts hitherto made to induce foreign nations to abandon this system have proved abortive; and that the adoption of some method more efficacious to accomplish that purpose is a duty imperatively imposed on the Government.

GEO. AULDJO JAMIESON.

I desire to add to the Report signed by the majority of the Commissioners the following remarks, which are intended to be rather explanatory of statements contained in it than expressions of dissent from its general conclusions, with which I agree.

The progress of affairs in a country like our own is so complicated and includes so many different points which need all to be borne in mind when making a general survey of the condition of the nation at large, that it is scarcely possible for any investigations, however carefully conducted, to keep them all in view at once. Hence I refrain from going into much detail on the statements respecting the progress of the country contained in the Report. But I have to state that from the statistics quoted different and less favourable conclusions might, in my judgment, be consistently arrived at than those actually drawn from them. General averages, especially when taken for short periods, frequently conceal from view very important portions of the main question.

A good deal of stress is laid in the Report on the increase of taxable income as a proof of increasing capital in the country. Although I do not doubt that the capital of the country does increase from year to year, and very considerably, yet this statement should be subject to some qualifications which there is a risk of overlooking when the matter is regarded from a special point of view, such as that afforded by the receipts from taxation. It is perfectly possible that the figures of the income tax returns which show the results of a period now passed, rather than the position of affairs now actually present, may show an increase, even after the condition of matters on which that increase was founded has largely altered. The amounts added to the banking capital of the country may be taken as affording some guide to its financial position; perhaps as dependable a guide as can be found in any statement of the condition of a single industry or occupation. Unless additions to the capital held by banks are continually being made they can scarcely take up any fresh business of importance, or afford support to any new branch of industry which may be started. And, certainly, the statistics of the additions to the capital and reserve funds of the joint stock banks in the United Kingdom appear to show a want of definite progress within the last year or two. I annex the figures for the eleven years from 1876 to 1886 inclusive. It will



be observed that the increase in 1886 was small; it was, in reality, distinctly the smallest within the period over which these observations extend, as the amount shown in 1881, which approaches it, is the balance which remained after some considerable amalgamation of businesses had been accounted for which took place in that year, and which caused an apparent shrinkage of capital at the time. I need hardly here explain the figures much in detail, but a considerable part of the growth from 1879 to 1884 was the result of changes rendered advisable by the adoption of the principle of limited liability by banks. The increase recorded in 1885 was in reality rather a change in form of banking capital than an actual growth in amount. After making allowance, however, for the circumstances referred to as having influenced the increase between 1879 and 1884, the cessation of growth in 1885 and 1886 is striking. The connexion between banking and the industrial condition of the country is so close that it appears hardly likely that the industrial condition can have improved to any very appreciable extent while the banking capital of the country shows so slight an augmentation. It is not by any means only on the fact that capital is being accumulated but on the manner in which capital is employed that the well being of the community at large, and of the working classes in particular, depends. It is perfectly possible that in a thickly peopled and wealthy country like our own, which possesses great outlets for the employment of capital beyond its own boundaries, a condition of affairs may exist in which taxable income might increase without a corresponding development of the industries of the country, or an improvement in the wages of labour. Such a condition might possibly exist, at all events for a time, while the employment for labour within these islands fell off.

I have made these observations to indicate my opinion that we should not necessarily assume that because some branches of the public revenue continue to maintain their position, therefore that the general condition of the country is uniformly prosperous, nor that this is the case because the rate of production is maintained or even slightly increased. Improvements in production may take place without an increase of capital, or an increase in the remuneration of labour; but it is on the growth and proper distribution of capital and the maintenance of a due remuneration for labour that the material prosperity of a country is founded.

Capital is only maintained by reproduction; when that reproduction is checked the prosperity based on it must eventually decay, though it is sometimes very remarkable to observe for how great a length of time a failing industry will linger on, and how great the efforts are which those engaged in such an industry will make to maintain their position. I have made these remarks on the prosperity of the country, as they appear to me to be based on points which should be borne in mind whenever the condition of the country is considered.

It is on profitable production that the wealth of the country has been founded. If the stimulus of profit ceases, and productive capital is allowed to wear out without being replaced, wealth, which seems now to be more evenly distributed between producers and workers, will cease to be available for distribution among the latter, as it is already less available for distribution among the former.

I have not many additions to make to the recommendations in the Report, except to add my opinion that a thorough revision of the law relating to limited liability in respect to trading companies is most necessary to render it a real assistance to *bonâ fide* trade and industry. Further, that in the present position of our export trade the giving increased postal communication with our colonies might give a very valuable impetus to the trade between them and the mother country. Our colonies, to omit any reference to other considerations, are our best customers; cheap communication with them should be of great service in extending their trade with us. This subject has received some public attention of late, but my feeling of its importance renders me desirous to record this expression of opinion on it here. Par. 105.

I think also that the remarks in the Report on the disadvantage to the trade of this country arising from ignorance of foreign weights and measures might have been expressed a great deal more strongly. I refer in this especially to the metric system. I may be allowed to quote, in respect to this subject, from a statement publicly made by the late Dr. Siemens in 1882. "Considering that in scientific work metrical measure is now almost universally adopted, and that its use has been already legalized in this country, I venture to hope that its universal adoption for commercial purposes will soon follow as a matter of course. The practical advantages of such a measure to the trade of this country would, I am convinced, be very great, for English goods, such as machinery or metal rolled to current sections, are now almost excluded from the continental market, owing to the unit measure employed in their production. The principal impediment to the adoption of the metre Par. 96.

“ consists in the strange anomaly that, although it is legal to use that measure in commerce, and although a copy of the standard metre is kept in the Standard’s Department of the Board of Trade, it is impossible to procure legalised rods representing it, and to use a non-legalised copy of a standard in commerce is deemed “ fraudulent.” This remark made by Dr. Siemens carries the more weight, because he combined high scientific attainments with the management of several large manufacturing businesses, both in England and on the continent, at the time. The importance of giving a knowledge of the metric system in this country has long been acknowledged. I may refer among other proofs of this to the Conference held in June 1871 at Kensington by permission of the Lords of the Committee of Council on Education, which was presided over by Lord Fortescue, when the advisability of adopting the metric system, in view of the great increase in international communication, was fully recognised. Now that the effect on our trade is also recognised it is desirable that practical steps should be taken to educate the public to the use of the metric system, as was done without any difficulty in Germany.

The remarks made by Mr. M. O’Brien on State Land Banks, of which he gave an instance, the one existing in the Canton de Vaud, also appear to me deserving attention. Institutions of that description might be of service to our agricultural interests, which have suffered more than any other in the country.

Matters such as those mentioned above may not seem at first sight to be of much importance to our national industries, but I refer to them as indications of that necessity to adapt productions to the altering conditions of the time which is essential to commercial success.

R. H. INGLIS PALGRAVE.

NET MOVEMENTS of BANKING CAPITAL and RESERVE FUNDS among the Joint Stock Banks of the United Kingdom, 1876–1886.

ENGLAND AND WALES.

Year.	+ Increase or – Decrease in Capital paid up.	+ Increase or – Decrease in Reserve Funds.	Total Net + Increase or – Decrease in Banking Capital.
	£	£	£
1876	+ 892,917	+ 924,693	+ 1,817,610
1877	+ 529,704	+ 853,448	+ 1,383,152
1878	– 414,571*	+ 610,098*	+ 195,527
1879	+ 889,394	+ 308,832	+ 1,198,226
1880	+ 1,597,058	+ 1,390,943	+ 2,988,001
1881	+ 43,976†	+ 427,864	+ 471,840
1882	+ 648,000	+ 352,217	+ 1,000,217
1883	+ 1,354,132	+ 1,046,770	+ 2,400,902
1884	+ 1,191,926	+ 943,530	+ 2,135,456
1885	+ 945,901	+ 832,107	+ 1,778,008‡
1886	+ 177,632	+ 133,984	+ 311,616
	+ 7,856,069	+ 7,824,486	+ 15,680,555

\* West of England Bank failure with

	£	
Capital	– 750,000	
Reserve Fund	– 156,666	
Total	– 906,666	occurred in this year.

† The winding up of the Midland Banking Company, which possessed a capital of 255,000*l.*, affects the total for 1881 very considerably.

‡ Messrs. Glyn, Mills, Currie & Co. became a joint stock bank in this year with

	£
Capital	– 1,000,000
Reserve Fund	– 500,000
Total	– 1,500,000

## ISLE OF MAN.

Year.	+ Increase or — Decrease in Capital paid up.	+ Increase or — Decrease in Reserve Funds.	Total Net + Increase or — Decrease in Banking Capital.
	£	£	£
1876 - - -	+ 1,900	+ 4,550	+ 6,450
1877 - - -	—	+ 990	+ 990
1878 - - -	—	+ 2,900	+ 2,900
1879 - - -	+ 6,004	+ 14,695	+ 20,699
1880 - - -	—	+ 1,865	+ 1,865
1881 - - -	—	+ 2,000	+ 2,000
1882 - - -	—	+ 7,000	+ 7,000
1883 - - -	+ 25,000	+ 2,000	+ 27,000
1884 - - -	—	+ 2,100	+ 2,100
1885 - - -	—	+ 800	+ 800
1886 - - -	—	+ 1,450	+ 1,450
	+ 32,904	+ 40,350	+ 73,254

## SCOTLAND.

Year.	+ Increase or — Decrease in Capital paid up.	+ Increase or — Decrease in Reserve Funds.	Total Net + Increase or — Decrease in Banking Capital.
	£	£	£
1876 - - -	+ 255,104	— 46,288	+ 208,816
1877 - - -	+ 320	+ 462,571	+ 462,891
1878 - - -	— 999,820*	— 126,015*	— 1,125,835*
1879 - - -	—	+ 55,992	+ 55,992
1880 - - -	—	— 3,424	— 3,424
1881 - - -	+ 4,041	+ 92,550	+ 96,591
1882 - - -	+ 5,500	+ 396,786	+ 402,286
1883 - - -	— 4,041	+ 174,746	+ 170,705
1884 - - -	—	+ 94,466	+ 94,466
1885 - - -	—	+ 4,307	+ 4,307
1886 - - -	—	+ 13,640	+ 13,640
	— 738,896	+ 1,119,331	+ 380,435

\* 1878. The City of Glasgow Bank failed, 2nd October 1878, with

	£
Capital - -	1,000,000
Reserve Fund -	450,000
Total -	<u>1,450,000</u>

## IRELAND.

Year.	+ Increase or — Decrease in Capital paid up.	+ Increase or — Decrease in Reserve Funds.	Total Net + Increase or — Decrease in Banking Capital.
	£	£	£
1876 - - -	—	— 124,585	— 124,585
1877 - - -	+ 50,000	+ 114,093	+ 164,093
1878 - - -	—	— 19,375	— 19,375
1879 - - -	—	+ 26,255	+ 26,255
1880 - - -	+ 143,667	— 38,904	+ 104,763
1881 - - -	+ 31,333	+ 157,083	+ 188,416
1882 - - -	—	— 314,157	— 314,157
1883 - - -	+ 83,095	+ 51,245	+ 134,340
1884 - - -	+ 75,675	— 7,180	+ 68,495
1885 - - -	— 415,395	— 165,926	— 581,321
1886 - - -	+ 174,391	+ 42,839	+ 217,230
	— 142,766	— 278,612	— 135,846

GENERAL SUMMARY.—UNITED KINGDOM.

Total net + Increase or — Decrease in Banking Capital.

Year.	England and Wales.	Isle of Man.	Scotland.	Ireland.	Total.
	£	£	£	£	£
1876	+ 1,817,610	+ 6,450	+ 208,816	— 124,585	+ 1,908,291
1877	+ 1,383,152	+ 990	+ 462,891	+ 164,093	+ 2,011,126
1878	+ 195,527	+ 2,900	— 1,125,835	— 19,375	— 946,783
1879	+ 1,198,226	+ 20,699	+ 55,992	+ 26,255	+ 1,301,172
1880	+ 2,988,001	+ 1,865	— 3,424	+ 104,763	+ 3,091,205
1881	+ 471,840	+ 2,000	+ 96,591	+ 188,416	+ 758,847
1882	+ 1,000,217	+ 7,000	+ 402,286	— 314,157	+ 1,095,346
1883	+ 2,400,902	+ 27,000	+ 170,705	+ 134,340	+ 2,732,947
1884	+ 2,135,456	+ 2,100	+ 94,466	+ 68,495	+ 2,300,517
1885	+ 1,778,008	+ 800	+ 4,307	— 581,321	+ 1,201,794
1886	+ 311,616	+ 1,450	+ 13,640	+ 217,230	+ 543,936
	+ 15,680,555	+ 73,254	+ 380,435	— 135,846	+ 15,998,398

R. H. INGLIS PALGRAVE,  
December 1886.

While not actually disagreeing with my colleagues upon sections 104 and 105, I cannot refrain from making the following additional suggestions :—

In lieu of section 104—

I am of opinion that legislation is required for more effectual prevention of the counterfeit or fraudulent marking of goods, whether as regards quantity, quality, or name and address of the actual maker. In certain cases, such as textile products, it would be necessary to require that the length, width, number of threads per inch, and the counts of yarn from which they are made should be plainly marked on each piece or parcel of goods. And negotiations should be entered into with foreign countries for mutual action in these respects.

In lieu of section 105—

I am of opinion that some amendment of the law relating to companies trading under the system of limited liability is desirable, and the following suggestions appear to me to deserve careful consideration :—

I would recommend—

1. That in the establishing of a company all applications for shares should be accompanied by a deposit of at least 10 per cent. of the share capital applied for.
2. That at least another 10 per cent. should be paid on allotment.
3. That the borrowing powers of such companies should be strictly limited to an amount not exceeding one third of the amount of share capital actually paid up.
4. That a complete and full statement of accounts in a prescribed form showing the amount of yearly depreciation, if any, and certified by a duly appointed auditor or auditors, should be required to be sent to the registrar at least once in each year.

T. BIRTWISTLE.

I desire to submit the following recommendations as to amendment of the law relating to limited liability companies :—

- (1.) That no such company should be allowed to be fully constituted, or to commence business, until at least two thirds of its nominal capital shall have been actually subscribed.
- (2.) That the borrowing powers of such companies should be strictly limited to an amount not exceeding one half the amount of share capital actually paid up.
- (3.) That one fourth of the nominal amount of each share should be constituted a “reserve liability,” to be called up only in the event of the winding up of the company.

JAMES P. CORRY.

While concurring in many respects with the Report of the majority of the Royal Commissioners, I wish to add that I do so with some important qualifications.

I believe that the Report signed by Lord Dunraven, Mr. Ecroyd, Mr. Lubbock, and Mr. Muntz more accurately describes the extent and the severity of the depression in trade and industry, and the consequent insufficiency of employment of labour, than does the Report of the majority of the Commissioners.

The statement made in the latter Report that "the actual products of British labour and capital have largely increased" is one I cannot subscribe to as referring to some of our most important industries in the years 1884 to 1886. No doubt such a conclusion would be correct if we depended solely on evidence, such as that of the Assistant Secretary of the Board of Trade and that of the Chairman of the Board of Inland Revenue, and others, which evidence is based on statistics for a period of twenty years up to 1884, during which the volume of trade naturally shows a large increase. But it is admitted that these statistics are imperfect, and they do not come down to the period in which the depression in trade was most marked.

As examples of the diminished products of British capital and labour, I may refer to the facts:—

That the production of pig iron has fallen yearly since 1882, when it was 8,493,287 tons, to 1885, when it was 7,250,647 tons, and this fall has taken place while the proportion of iron smelted from foreign ores has increased, thereby throwing out of employment those engaged in working our own minerals.

The production of manufactured iron and of Bessemer steel have decreased since 1882, and also that of coal since 1883. The serious falling off in shipbuilding since the last-named year is remarkable.

Measured thus by the most recent years, the value and volume of trade in these great iron, steel, coal, and shipbuilding industries have very largely diminished.

In many important industries there is thus evidence before us of a remarkable diminution in demand, and also of an absence of profit, and often of an absolute loss for the employer of labour. It is this absence of the element of profit in production which is one of the main features of the depression, and, without profit, production cannot be continuous.

I attach little importance to the statistics of income tax. Not only is there "increased efficiency of collection," whereby the tax is strained to a productiveness beyond what is fair to the taxpayer in many cases, but the statistics are based on an average of preceding years, during which years trade had not reached the fullest extent of depression. And we must not forget that the income tax is assessed on the farmer, not upon profits ascertained, but on one moiety of the rent which he pays, whatever his loss may have been, and it is also well known that persons who have been unable to pay their creditors in full have paid income tax, notwithstanding their losses, rather than expose their transactions.

The demand for the employment of labour has fallen off naturally with the diminished production.

I concur with the report of the minority that any contrary view founded on statistics of pauperism, bankruptcy, and crime will not bear the test of close examination, because the stricter administration of the poor law and the aid given by trade societies diminish pauperism, the spread of education tends to diminish crime, and the increased number of private compositions take away any significance from statistics of bankruptcy.

The condition of the working classes has undoubtedly improved in regard to houses, sanitary regulations, education, cheaper food, and clothing. But when it is shown that, in the extreme depression of many industries, numbers of persons cannot find employment, and that widespread distress, bordering on starvation, exists, it cannot but be said that this condition of things is most unsatisfactory.

I do not think that what is called "over-production" can be considered a chief cause of the depression, if the world needs the articles produced. It is rather under consumption than over-production when the articles produced would, if distributed where they are needed, be of advantage to the buyer. I am thus led to believe that more is needed in the way of removal of hindrances to cheaper distribution than the Report of the majority of the Commissioners seems to acknowledge. It is to increased means for cheap distribution that we must look for the corrective to "over-production."



We have in my opinion a duty towards countries and dependencies under our care to facilitate cheap transit. The opening out of more railways in India, South Africa, and other countries must be the means in the future of relieving our "over-production" by the increased consumption which additional facilities for cheap distribution would cause. As an instance, we were told that whilst in one part of India the population may be starving, in another wheat is used as fuel for want of cheap transit. In such dependencies as the East Indies it seems to me to be the duty of the Government to give more direct encouragement to the making of railways for the development of their resources.

I think the Report of the majority of the Commissioners does not give sufficient importance to the grievances of the traders at home in regard to the policy and conduct of railway companies in this country. I think the rates charged are in many cases so high that they are prejudicial to our productive industries, and more especially as regards agriculture. The carrying of foreign produce at lower rates than those charged on home produce must seriously hurt all home industries. I think that when railway companies voluntarily fix a low rate for the carriage of imported goods, they should be obliged by law to carry home produce at the same rate. Increased powers of control over railway rates ought to be given to the Railway Commissioners. Were our railways to cultivate home trade by charging lower rates all round, it may be assumed that they would be recouped by increased traffic.

I, moreover, desire to express the opinion that to cheapen the cost of our minerals, power should be given to some local tribunal to grant authority for the compulsory purchase of land for mineral railways or to grant wayleaves on equitable terms.

Regarding shipping, our national interests are prejudiced when our vessels are under one law as to loading, and foreign vessels are under another in our ports, and our carrying trade is affected by the cost of lights being thrown upon our mercantile fleet contrary to the practice of nearly all other nations.

CHAS. M. PALMER.

I beg to express my dissent from paragraph 82. It contains a specific repudiation of the great doctrine of free trade. Shorter hours of labour do not, and cannot, compensate to a nation for increased cost of production or diminished output. They tax the community with dearer goods in order to confer special advantages on the working man. They protect him, and that is a direct repudiation of free trade. The country is sentenced to dearer and fewer goods.

BONAMY PRICE.

I dissent from paragraph 90, holding that the heavy fixed charges on most minerals handicap trade and affect wages much more than is implied in the paragraph. The system under which landlords have been permitted to assert sole interest in the minerals under the soil is indefensible. They might as fairly claim the air above and the water beneath their lands, and let them out by meter to the people. In some cases, so far as coal is concerned, they exact as much per ton as the coal hewer earns by hewing it.

With respect to iron, a ton of English pig is worth at present about 34s. The royalty upon its ingredients reaches to 5s. or 6s., exacted by persons who, in many instances, never paid a farthing directly or indirectly for the minerals. The royalty in some competing countries, which are pressing us hard, is 6d. per ton, payable to the State.

It needs no argument to demonstrate that this cast-iron system, which landlords have taken advantage of their position to enforce, handicaps British manufactures most seriously, and is likely still more to do so as foreign competition grows keener.

SAMUEL STOREY.

We regret our inability to sign the Report presented by the majority of our colleagues.

We concur in the general description of our course of proceeding, and of the nature of the evidence received, which is contained in paragraphs 1 to 26 inclusive.

But the extent and severity of the depression of trade and industry, and the consequent insufficiency of employment, are not in our opinion adequately recognised and set forth in the Report. Nor do we think it contains a sufficient exposition of the gravity and permanent character of the causes which are now operating to prevent the growth of our chief industries keeping pace with that of the population.

Nor does the Report contain any indication or recommendation of remedial measures in respect of those adverse agencies which are of the first importance, not only as regards their present effect, but their permanent and growing nature.

We have therefore found it our duty to present an independent Report, commencing with paragraph 27.

27. Taking the written and oral evidence as a whole, there appears to be a general agreement— Summary of evidence.

- (a.) That the trade, and especially the industries of the country, are, with but little exception, in a depressed condition.
- (b.) That the depression dates from about the year 1875, and that, with the exception of a short period of prosperity enjoyed by certain branches of trade from 1880 to 1883, it has been tolerably uniform and general.
- (c.) That it has arisen in the main from causes which appear to us to be not of a temporary, but of a permanent, character. 3153, 3246.
- (d.) That the volume of trade, though it has not materially fallen off, has in some important branches ceased to exhibit its wonted healthy growth.
- (e.) That whilst the business of retail distribution appears, owing to the extreme cheapness of commodities, to have been not less profitable than usual, that of production, whether agricultural, mining, or manufacturing, has been and is still extremely unprofitable. 4125.
- (f.) That in agriculture and mining a serious diminution of both fixed and floating capital has taken place, through shrinkage of the value of land and works, and losses in working, and in many branches of manufacture the like disaster has been experienced, though not to the same extent.
- (g.) That whilst the amount of labour employed in agriculture has greatly declined during the years 1874-85, it is noteworthy that the number of persons employed in textile manufactures has, during the same period, not only failed to increase at the usual rate, but has for the first time diminished in proportion to the population of the country; there has therefore been no absorption by the textile industries of the labour displaced from agriculture, and we have no evidence to show that it has found employment in any other productive industry. 9632.  
14750-4.
- (h.) That in various important industries many of the persons engaged have of late years been only partially and irregularly employed. 1154-60, 1171-7, 2659,  
5839-60, 7194.
- (i.) That though the rate or scale of wages appears on the whole to have declined but little during the period of depression, it is clear that the actual weekly earnings of the workers are in many cases greatly reduced by insufficiency and irregularity of employment. 1640-52, 1706-7, 2365, 2916  
3282-3, 3356, 4848-51,  
4897-8, 7516-7, 11,043-9,  
11,797-801, 12,067, 14,356,  
14780-40.
- (j.) That the general maintenance of the rate of wages, accompanied by the necessity of a diminished and irregular production from a given fixed investment, has operated to increase the cost of manufacture, and so to weaken our manufacturers in the race of international competition. 2441, 2659, 2793-5, 5245,  
11,040-2, 11,065-60.
- (k.) That the extraordinary cheapness of provisions, clothing, and other commodities has mitigated the effect of reduced earnings in the case of that portion of the labouring population who have enjoyed regular, though but partial, employment. 2659, 8836.

1432-8, 1729-31, 1950, 2373,  
2375-4, 2559, 2647, 3149-52,  
3339-40, 5368-70, 5790,  
6123-4, 6165, 6190-1, 6248-  
50, 6281, 6741-4, 9025,  
10,769-1, 13,714, 14,113-28,  
14,150, 14,188.  
1491-2, 1571-2, 1980-3,  
2015, 2060, 2364, 3208-9,  
4307, 4786-8, 4799, 5371-2,  
6281, 6598, 6601, 7341-2,  
7617-20, 13,697, 13,758,  
14,136-7, 14,395-7, 14,405,  
7665-73, 7784, 8662, 8689,  
8889, 9017, 9138.

28. That the principal causes of depression are—

- (1.) The effect of foreign bounties and tariffs, and of the restrictive commercial policy of foreign countries, in limiting our markets.
- (2.) Foreign competition, which is increasing in extent and in severity, both in our own and in neutral markets.
- (3.) The casual effect of bad seasons and the continuous effect of foreign competition upon our agriculture, which has greatly reduced the purchasing power of the classes engaged in it, and limited the home market for all kinds of manufactured goods.
- (4.) The increased pressure of local taxation upon agriculture and other productive industries at a time when, from the causes above named, they were less than ever able to meet increased charges of any kind.
- (5.) A long continued fall of prices, by some attributed to an appreciation of the standard of value, but which has evidently been, in many cases, the result either of actual over-production or of a capacity of production in excess of the demand.
- (6.) The effect of legislation regulating the hours and conditions of labour upon the cost of production in this as compared with other countries.
- (7.) The need of legislation for the effectual suppression of the false and fraudulent marking or description of goods, whether in regard to quantity, quality, or name of the actual maker.
- (8.) The advantage given by our railway companies to foreign producers by the conveyance of goods from the out-ports to the great centres of distribution at lower rates than from the seats of home production.

29. There are several secondary matters complained of as contributory to the depression, which we think may in the main be more accurately described as sources of possible relief suggested by its pressure:—

- (1.) The want of cheaper internal transport, especially for heavy commodities.
- (2.) The need of some organisation of better means for the easy, cheap, and quick delivery of small parcels of manufactures in foreign countries.
- (3.) The need of a more general diffusion of scientific, artistic, and technical education.
- (4.) The need of better information as to the exact wants of foreign populations, and of more prompt notification of changes of tariff and other import regulations at foreign ports.

30. This summary will, we think, give a sufficiently accurate account of the opinions held by the large majority both of the bodies whom we consulted and of the individual witnesses examined.

31. Having thus touched upon the method of our inquiry, and the principal points to which prominence has been given, we will proceed to comment upon the evidence, and to state the conclusions at which we have been able to arrive.

32. We propose in the first place to deal with the nature of the depression.

Upon this question there have been some inevitable differences, according to the points of view from which the several witnesses and those from whom we have received information have regarded it.

33. The classes who enjoy fixed incomes, or incomes derived from foreign investments, or from property not connected with productive industries, appear to have little ground of complaint; on the contrary, they profit by the remarkable cheapness of commodities.

Those who are engaged in the import trade find little, if any, contraction of its volume, though they have suffered from the continuous fall of prices.

Those engaged in the retail distribution of commodities, whether of home production or manufacture, or imported, make little complaint, except in specially depressed districts; they have indeed in many cases been enabled to realise very full profits in consequence of the extremely low prices at which their wholesale purchases have been made.

34. There are many evidences that a large accumulation of capital has been in progress even during the period of depression.

In a country possessing vast foreign investments, and a great international buying, selling, and carrying trade, this may well happen, whilst the earnings of its industries and the employment of its population are either stagnant or positively declining.

But the diminished value of real estate and of industrial investments, and the loss of capital sustained by farmers and other traders, must be set off against the accumula-

9667, 8914,  
9030, 9174.

4632, 9663.

Nature of  
depression

4125, 5240.

tions from other sources before any accurate judgment can be formed as to the increase of the aggregate wealth of the country.

35. The complaints proceed chiefly from the classes interested in production :—

- (1) from the owners of agricultural land, and of works, buildings, or mines, who have suffered a great reduction of income and a serious diminution of the capital value of their property. It chiefly affects producers.  
5763-7.
- (2) from those who conduct productive industries, such as farmers, manufacturers, and those engaged in the mining and building trades. These all complain of the restriction or total absence of profit, and, in many cases, of a contraction of demand which enforces upon them a reduced and therefore more costly production. 4755, 4820.
- (3) from the artisans and labourers, of whom considerable numbers in some districts are entirely unemployed, whilst a much larger number have only partial or intermittent work, in consequence of which their actual earnings are greatly diminished, though there has apparently been no general or considerable reduction of the rate of wages. 1650-1,  
4685, 5052,  
5219.  
12,346.

36. The losses, both in the shape of reduced income and diminished value of principal, which have been suffered by the owners of property are so completely a consequence of the unprofitableness of the industries for which their property serves as a basis, that it would be useless to consider them separately. Their amount is, however, as distinct and disastrous a diminution of the wealth and wages fund of the nation as the like loss suffered by any other class would be. 9029-30.

37. The slight reduction in the rate or scale of wages of artisans and labourers has been for the moment more than compensated by the extremely low price of food, clothing, and other necessities of life. And even where employment, though only partial, is regular and pretty equally distributed, the cheapness of commodities has hitherto helped the working class to endure a serious diminution of income without much positive suffering. No doubt, however, their indulgences have been curtailed, and saving, whether in the shape of additions to household furniture or in other ways, has been in many cases suspended.

38. Thus far, however, those who conduct and superintend productive industries, and those who own the property and capital employed in connexion with them, have borne the chief burden of difficulty and loss. When a man has embarked his capital in, and devoted his ability and experience to, some industrial enterprise, whether farming, mining, or manufacturing, he is compelled to carry it on through adverse times at whatever loss may be less than that of a realisation at the worst possible moment, coupled with the breaking up of a specially trained and organised body of workers. 2659, 4481-  
2, 5245,  
5783-5.

This constraining influence operates for a long time to sustain employment and to aggravate over-production; but if the causes of depression be permanent, diminished employment and lower wages must come at last. 4852, 7594.  
7655-6,  
14320-2.

The position of the employers of labour is, therefore, of the deepest interest; since upon it depends in the long run both that of the owners of property and that of the artisans and labourers.

39. The relative decline of some of our greatest national industries during the past 10 or 12 years, in proportion to the population of the country, is shown in many ways in the figures which have been placed before us, and in the evidence we have received :— Decline of  
employment  
relatively to  
population.

- (1) in the progressive decline of agricultural employment, and of the condition and production of the soil.
- (2) in the marked cessation, during the same period, of the wonted increase in the proportion of our population employed in textile manufactures. 14,203.
- (3) in the diminishing proportion of the world's production of cotton, wool, flax, and silk which is manufactured in this country.
- (4) in the increased value of our imports of finished manufactures during a period in which (a) prices have fallen very greatly; (b) the value of our exports of the like articles has seriously declined; (c) a large amount of labour and machinery in this country suited to their production has remained unemployed or only partially employed.
- (5) in the increasing proportion of our exports which consists of coal, steam engines, and machinery; and the diminishing proportion which consists of finished manufactures, which not only require coal, steam engines, and machinery for their production, but much valuable skilled labour besides. 11,240-3.

40. This relative decline will be clearly seen from the following figures :—

TABLE A.—POPULATION of the UNITED KINGDOM.

Mean of the year	-	-	-	1856	-	28,000,000
"	"	-	-	1862	-	29,200,000
"	"	-	-	1868	-	30,700,000
"	"	-	-	1874	-	32,500,000
"	"	-	-	1885	-	36,300,000
Mean of quinquennial period	-	-	1865-69	-	30,400,000	
"	"	-	1870-74	-	31,900,000	
"	"	-	1875-79	-	33,600,000	
"	"	-	1880-84	-	35,300,000	

TABLE B.—PER-CENTAGE of the whole POPULATION employed in AGRICULTURE.

	In the Years			
	1851.	1861.	1871.	1881.
England and Wales	20·9	18·0	14·2	11·5
Scotland	22·7	20·1	17·3	14·2
Ireland	48·4	42·9	40·7	41·1

PER-CENTAGE of the whole POPULATION supported by AGRICULTURE.

	In the Years			
	1851.	1861.	1871.	1881.
England and Wales	23·8	20·9	16·5	13·2
Scotland	23·8	21·7	18·0	14·0
Ireland	55·7	52·1	48·7	49·5

[Extracted from a paper on the Occupations of the People of the United Kingdom, by Charles Booth, Esq., read before the Statistical Society on the 18th May 1886.]

TABLE C.—INCREASED IMPORT of AGRICULTURAL PRODUCE relatively to the INCREASE of POPULATION, partly attributable to increased consumption per head, but perhaps chiefly to the decline of Agricultural Industry in the United Kingdom.

	Five Years, 1870-74.	Five Years, 1875-79.	Five Years, 1880-84.
Population : Mean of period	81,900,000	33,600,000	35,800,000
Price of wheat : Mean of period	s. d. 55 0	s. d. 47 8	s. d. 42 5
Declared value of imports of—	£	£	£
Animals for food	24,097,403	34,228,430	49,989,500
Beef	2,560,273	6,788,099	12,566,503
Pork	3,288,430	3,360,168	3,331,482
Bacon and hams	20,828,790	40,032,686	48,264,857
Meat : fresh, salted, and preserved	4,240,100	7,877,837	12,286,291
Poultry, game, and rabbits	1,078,179	1,780,369	2,642,710
Total	56,093,175	94,067,589	129,081,343

					Five Years, 1870-74.	Five Years, 1875-79.	Five Years, 1880-84.
					£	£	£
Butter and butterine	-	-	-	-	35,766,680	48,097,146	58,675,482
Cheese	-	-	-	-	18,193,187	22,489,367	24,978,534
Eggs	-	-	-	-	8,920,448	12,460,449	12,585,652
Total	-	-	-	-	62,880,315	83,046,962	96,239,668
Wheat and other corn	-	-	-	-	208,189,391	255,738,419	250,256,831
Flour	-	-	-	-	22,708,587	33,023,344	52,680,513
Total	-	-	-	-	230,897,978	288,761,763	302,937,344
Raw fruit (excluding oranges, lemons, and nuts)	-	-	-	-	4,013,770	7,137,539	10,223,930
Raw onions	-	-	-	-	1,356,397	1,972,413	2,602,269
Potatoes	-	-	-	-	5,265,878	10,243,502	7,351,124
Hops	-	-	-	-	3,535,678	4,971,620	7,263,374
Total	-	-	-	-	14,171,723	24,325,074	27,440,687
Grand Total	-	-	-	-	364,043,191	490,201,888	555,699,042

TABLE D.—NUMBER of Persons employed in the four great Branches of Textile Industry at different periods.

	Year.				
	1856.	1862.	1868.	1874.	1885.
Worsted and woollen manufactures -	166,885	173,046	249,900	276,702	277,546
Flax, hemp, and jute manufactures -	80,262	94,003	134,262	171,719	164,058
Silk manufacture -	64,224		45,902	52,430	46,190
Total -	311,371		430,064	500,851	487,794
Cotton manufacture -	379,213	451,569	401,064	479,515	504,069
Grand Total -	690,584		831,128	980,366	991,863
Population of United Kingdom. } Mean of each year -	28,000,000	29,200,000	30,700,000	32,500,000	36,300,000

TABLE E.—PER-CENTAGE of the whole POPULATION employed in the four great branches of TEXTILE INDUSTRY at different periods.

	Year.				
	1856.	1862.	1868.	1874.	1885.
Worsted and woollen manufactures -	0·596	0·592	0·814	0·851	0·764
Flax, hemp, and jute manufactures -	0·286	0·322	0·437	0·528	0·452
Silk manufacture -	0·229		0·149	0·161	0·127
Total -	1·112		1·400	1·540	1·343
Cotton manufacture -	1·354	1·546	1·306	1·475	1·388
Grand Total -	2·466		2·706	3·015	2·731



TABLE F.

	Persons actually employed in 1885.	Persons who would have been employed in 1885 had the Proportion to the whole Population been the same as in 1874.	Persons who would have been employed in 1885 had the Growth of Employment during 11 years, 1874-85, been proportionate to that during the whole 29 years, 1856-85.
In the—			
(1) Worsted and woollen, (2) flax, hemp, and jute, and (3) silk manufactures.	487,794	559,412	583,711
(4) Cotton manufacture - -	504,069	535,581	558,846
All four great textile industries - -	991,863	1,094,993	1,142,557

TABLE G.—DECREASE of the VALUE of EXPORTS, and concurrent INCREASE of the VALUE of IMPORTS of TEXTILE MANUFACTURES, during 15 years=1870-84.

Declared Values of	Imports in Five Years, 1870-74.	Imports in Five Years, 1875-79.	Imports in Five Years, 1880-84.	Exports in Five Years, 1870-74.	Exports in Five Years, 1875-79.	Exports in Five Years, 1880-1884.
	£	£	£	£	£	£
Worsted and woollen yarns and manufactures.	25,896,913	33,912,846	41,525,820	157,538,261	110,942,983	109,740,697
Linen and jute manufactures, including bags, cordage, and twine.	3,495,170	3,762,970	3,826,880	57,248,165	47,204,536	48,765,066
Silk yarns and manufactures.	55,116,815	62,539,166	57,734,898	16,693,380	12,647,000	15,725,584
•	84,508,898	100,214,982	103,087,598	281,479,756	170,794,519	174,231,347
Cotton yarns and manufactures.	7,152,116	9,209,498	12,027,135	376,003,148	388,550,580	379,643,781
Grand Total -	91,561,014	109,424,475	115,114,733	607,482,904	509,345,099	553,875,128
Per-centage of total increase or decrease on period, 1870-74 -	—	Per cent. 19·5 increase	Per cent. 25·7 increase.	—	Per cent. 16·1 decrease.	Per cent. 8·8 decrease.
Per-centage of increase or decrease in cottons only -	—	28·7 „	68·1 „	—	9·9 „	0·97 increase.
Per-centage of increase or decrease in other textiles -	—	18·6 „	21·3 „	—	26·2 „	24·7 decrease.

TABLE H.—INCREASED EXPORT of RAW MATERIALS and INSTRUMENTS of INDUSTRY, as compared with that of Manufactures ready for wear.

Declared Value of Exports of	In Five Years, 1865-69.	In Five Years, 1880-84.
	£	£
Cotton manufactures - - -	269,809,547	314,389,584
Worsted and woollen manufactures -	104,379,134	92,614,703
Linen and jute manufactures - -	42,664,191	40,241,250
Silk manufactures - - -	5,940,143	11,889,373
Apparel and slops - - -	12,422,217	18,663,569
Haberdashery and millinery - -	23,923,120	19,055,860
Total - - -	459,138,352	496,854,339=Increase 8·21 per cent.

Declared Value of Exports of	In Five Years, 1865-69.	In Five Years, 1880-84.
	£	£
Coal, cinders, and fuel - - -	25,807,600	48,220,548
Implements and tools of industry -	1,437,460	3,239,683
Steam engines - - - -	9,321,779	17,985,478
Machinery - - - -	15,476,857	39,677,040
Wool (home grown) - - -	4,231,044	4,814,607
Total - - - -	56,274,740	113,937,356=Increase 102·46 per cent.

41. Any more favourable view of the position of our chief industries, founded upon the statistics of pauperism, bankruptcy, and crime, or on the accounts of savings banks and the returns of income tax, will not bear the test of close examination and inquiry ; for—

Certain sta-  
tistics not-  
withstand-  
ing.

1. The stricter enforcement of tests in the administration of the poor law, and the aid now so widely given by friendly and trade societies, limit or defer the pauperisation of the unemployed or partially employed, even in periods of long continued depression.
2. The general spread of education, and the improved administration of criminal law, have done much to diminish crime.
3. The remarkable increase of private compositions takes away from the bankruptcy returns their significance as indications of the amount of commercial disaster.
4. The increased deposits in savings banks are, to no small extent, a proof that the widespread depression of trade is limiting enterprise, and contracting the openings for the more profitable employment of small amounts of capital.
5. The returns of income tax assessment under Schedules A. and B. very inadequately reflect the enormous loss of income which has been undergone by the owners and occupiers of land, to say nothing of the shrinkage of capital. This is clear from the evidence of Sir James Caird [see 7673], who estimates the loss of income of the owners of agricultural land at 30 per cent., or 20,000,000*l.* per annum, and that of the tenants at 60 per cent., or 20,000,000*l.* per annum, as compared with 10 years ago. If the loss of capital of the owners be computed at 30 years' purchase, and that of the tenants at 7 years' purchase of the lost income, it will be seen to amount to no less than 740,000,000*l.* It is therefore no unfair conclusion that the whole increment of wealth accruing to the owners and cultivators of agricultural land for ten years past has been swept away, and consequently that their assumed gains, assessed for income tax during the whole of that period, have never, upon any sound principle of stocktaking, been realised.

5089-91, 5197-202,  
11,050, 11,083-8,  
12,014, 13,968,  
14,948 14,956.

135, 466-9, 5321-  
4, 5844-5.

5137-8.

743, 750,  
759, 7708-9,  
8794-5.  
8810, 8824-  
5, 8981-5,  
9088, 9114,  
9910-3.

Under Schedule D. are included incomes derived from foreign investments, from transactions in foreign stocks, and from the international buying, selling, and carrying trade of which we have already spoken. And there is no doubt that those connected with internal trade and industries are sustained in periods of depression, in not a few instances, by dread of the trouble and loss of time incurred in appealing, and by the fear of traders to damage their credit by disclosing the decline or total disappearance of their profits. This is proved by the fact that many who have lost the whole of their capital, and have been unable to pay their creditors in full, are known to have been paying income tax throughout the period of loss. Again, the heavy but unseen losses, sustained through depreciation of the value of buildings, works, and machinery, in long continued periods of depression, though they may sweep away the profits of many past years, are not exhibited in the returns under Schedule D. The great increase in the number of the smaller incomes, and decrease in the larger incomes, assessed under Schedule D., is probably in great measure due to the circumstance that production, which is mainly carried on in large establishments requiring heavy capital, has been profitless ; whilst distribution, much of which is conducted by retail traders with small capital, has been profitable.

768-71.

8767.

8941.

895.

Finally, it is well known that the growth of the income tax assessment is largely attributable to the increased efficiency of collection in late years, and

804-5.

811. especially to the returns, now required from employers, of the names of all  
2995. persons in receipt of such salaries or wages as render them liable to assessment.

Misuse of statistics of foreign trade. 42. Attempts to indicate the condition of our industries and to measure the growth of our productive capacity by the total value or volume of our imports and exports are necessarily misleading. For everything depends upon the changes in their character and the particular direction of their growth.

All increased imports of agricultural produce consequent upon the withdrawal of labour from the cultivation of our own soil, the deterioration of its condition, and the diminution of its produce, and all additional tonnage of shipping employed in carrying such imports, are indications not of the growth but the decay of our productive capacity.

9775-84. So are all imports of manufactures, of whatever kind, which might have been produced at home by the employment of labour and resources which have remained unemployed or inadequately employed.

So are all exports of coal, machinery, and instruments of industry which might have been employed at home in the production of food, or manufactures, or other commodities, imported under the conditions just described.

6571-6. For imports of such articles can only be advantageous on one condition, viz., that all the labour which could have produced them at home is fully employed in some equally profitable work. Of this, however, we have no evidence, but much to the contrary.

On the other hand, the larger our import of those articles of food and other commodities which either could not at all or could not legitimately be produced at home, and the larger our import and retention of the raw materials upon which our industries are to operate, the stronger the proofs of the prosperity of those industries and the increase of the national wealth.

Statistics of home industries imperfect. 43. The most important statistics, those relating to our internal trade, are unfortunately very imperfect. We have no means of ascertaining the total amount of production, or of wages earned in each great department of industry in each year or series of years. It is, therefore, difficult to measure accurately the growth or decay of our productive capacity, though some useful indications are afforded by the statistics of agriculture, and of the consumption of raw materials and the number of persons employed, in certain manufacturing industries.

Decline of agriculture. 44. As regards agriculture, it is evident that there has been a great diminution of the productive capacity of the land and of the labour employed upon it.

7673-5, 7752-3, 7793-5, 8756, 8773-6, 9379-81, 9395, 9631, 9670. There can be little doubt that the quantity of agricultural produce raised in the country during the last few years has materially decreased, and there is no evidence that the fairly good seasons of the last two years have in any degree compensated for the diminished production of the eight years which preceded them; whilst the effect of unremunerative prices has necessarily been to withdraw capital and labour from a losing trade.

This fact, as we shall show when we proceed to discuss the causes of the depression, has had a very important influence upon the situation.

Iron and steel trades. 45. The iron and steel manufactures were greatly stimulated by the sudden large demand which arose from the rapid construction of new lines of railway in the United States in 1880-81. The effect was an inordinate extension of works for the production of iron and steel, both here and in the United States; but when the extraordinary demand began to subside, the action of the high American tariff again reduced their imports to a very low point, and brought about in this country a glut of iron and steel and a consequent diminution of production and employment, which still continue, and from which it is not easy to discern any near prospect of escape.

3690-6. This is an instructive instance of the danger of any extension of industries based upon the fluctuating demands of high-tariff countries.

1939-45. 46. In the manufacture of pig iron we have manifestly failed, since 1870, to maintain a rate of advance at all equal to that of other nations (*see para. 19*). The iron and steel manufactures are, however, so much affected by the general activity or otherwise of railway construction and shipbuilding, that their condition affords a less certain test of the relative progress or decline of our productive power than that of the textile industries, which provide commodities of universal and daily requirement, which are easily portable, and constitute a convenient element of exchange in our trade with all countries.

Textile industries. These industries are indeed of so representative a character that a review of their progress or decline during the past 10 or 12 years, relatively on the one hand to that of previous periods, and on the other to that of other great manufacturing countries,

will—if taken in connexion with the condition of agriculture, the most important industry of all—afford an undoubted measure of the healthy or arrested growth of our productive capacity as a whole.

47. In the period of 12 years from 1874 to 1885 inclusive, during which so considerable an amount of labour was withdrawn from agriculture, and our dependence on imported food was so greatly increased, it might reasonably have been expected that the proportion of population employed in the textile industries, which produce commodities largely exported in exchange for food, would have shown an abnormal increase. 6897-6903.  
7089-91.

A glance at Tables D., E., and F. (para. 40) will show that there was, on the contrary, an important decline during those 12 years in the proportion of population employed in those industries also, a circumstance in some degree accounted for by the fact (*see* Table G.) that, in spite of the unparalleled fall of prices, our imports of textile fabrics increased constantly in value.

48. Of the four great textile industries it will be observed from the following table that the cotton manufacture has suffered least from the adverse influences at work since 1874 :— Cotton ma-  
nufacture.

TABLE K.—DECLARED VALUES of EXPORTS of TEXTILE MANUFACTURES in the two periods 1870-74 and 1880-84, for comparison of the relative movement of each branch of Textile Industry.

	In Five Years, 1870-74.	In Five Years, 1880-84.	Increase or Decrease per cent.
	£	£	
Cotton manufactures and yarns - - -	376,003,148	379,643,781 =	Increase 1·0
Worsted and woollen manufactures and yarns -	157,538,261	109,740,697 =	Decrease 30·3
Linen, jute, &c. manufactures and yarns - -	57,248,165	48,765,066 =	Decrease 14·8
Silk manufactures and yarns - - -	16,693,330	15,725,584 =	Decrease 5·8

This is unquestionably owing to the fact that foreign tariffs act upon a much smaller proportion of the trade in cotton goods. A large market is found for them in those semi-civilised nations, which, having no important manufactures of their own, content themselves with very moderate import duties. But, above all, India—with its vast population of 240 millions—affords, under British control, a duty-free market for a large proportion of our total export of cotton goods.

TABLE L.—VALUE of EXPORTS of COTTON YARNS and MANUFACTURES :—(1) to British India ; (2) to all other Countries, in the three periods, 1870-74, 1875-79, and 1880-84 respectively.

	To British India.	To all other Countries.
	£	£
5 years, 1870-74 - - - - -	70,254,000	305,759,000
5 years, 1875-79 - - - - -	76,820,000	261,730,000
5 years, 1880-84 - - - - -	100,268,000	279,376,000
<i>Increased</i> value of exports to British India - -	30,014,000	—
<i>Decreased</i> value of exports to all other countries -	—	26,383,000

TABLE M.—EXPORTS of COTTON PIECE GOODS—to (1) British India; (2) Europe (except (Turkey) and the United States; and (3) all other Countries.

	In 1870. Millions of Yards.	In 1884. Millions of Yards.	Increase per cent.
To British East Indies - - - -	923·3	1791·5	94·3
„ Europe (except Turkey) and the United States	397·9	493·5	24·0
„ all other countries - - - -	1931·6	2132·4	10·4

Of the total increase in 14 years, 74·5 per cent. was to British India.

49. Yet it cannot be said that the progress of this great and, as we have just shown, favoured industry is wholly satisfactory. For—

- (1.) Even the cotton industry has failed to provide an increase of employment proportionate to the growth of our population (*see* Tables D., E., F.).
- (2.) We are manufacturing a rapidly decreasing proportion of the raw cotton produced.
- (3.) Our imports of cotton manufactures, though as yet comparatively small, are increasing in a much greater ratio than our exports, at a time when we are rapidly declining as an agricultural country and becoming more dependent on manufactures.

4307,  
5779–80.

TABLE N.—RELATIVE INCREASE of the CONSUMPTION of RAW COTTON in the UNITED KINGDOM, on the CONTINENT of EUROPE, and in the UNITED STATES of AMERICA.

Increase of the total supply of raw cotton, in the years 1881–84  
over that in the years 1866–70 - - - - 83·7 per cent.

Increase of consumption during same period :—

In the United Kingdom - - - -	52·9	„
On the Continent of Europe - - - -	102·0	„
In the United States - - - -	130·6	„

[Extracted from Messrs. Ellison & Co.'s "Annual Review." See Appendix to our First Report, Table 12, page 142.]

TABLE P.—RAW COTTON retained for MANUFACTURE in the UNITED KINGDOM, the UNITED STATES, FRANCE, and GERMANY respectively, in the years 1866, 1876, and 1884.

	1866.	1876.	1884.
	lbs.	lbs.	lbs.
United Kingdom - - - -	988,532,160	1,284,552,976	1,497,507,536
United States - - - -	396,323,000	668,780,000	900,637,000
France - - - -	264,559,000	347,921,000	271,361,000
Germany - - - -	No returns.	372,476,000	391,430,000

Other textile  
manufac-  
tures.

50. The position of the other three branches of textile industry is, however, much more unfortunate. To them free-trade India and the low-tariff or neutral countries afford but a limited market, whilst the countries where their productions are chiefly consumed impose upon them protective duties, ranging in effect from 20 to 100 per cent. *ad valorem*. In such circumstances it is not surprising that we should have been able to manufacture so very small a proportion of the world's vastly increased production of wool and silk during the past 20 years.

TABLE Q.—PROPORTION of IMPORTED and HOME-GROWN WOOL retained for MANUFACTURE in the UNITED KINGDOM in the five years, 1880–84, as compared with the five years, 1865–69.

	1865–69.		1880–84.	
	lbs.	lbs.	lbs.	lbs.
Imported - - -	236,300,000		481,300,000	
Of which re-exported -	92,300,000		264,200,000	
Retained for manufacture {	—	144,000,000	—	217,100,000
	[60·9 per cent.]		[45·1 per cent.]	
Domestic clip - - -	161,000,000		135,000,000	
Of which exported -	9,900,000		16,500,000	
Retained for manufacture {	—	151,100,000	—	118,500,000
	[93·8 per cent.]		[87·8 per cent.]	
Total of imported and home-grown wool retained for manufacture. }	—	{ 295,100,000 or 74·3 per cent.	—	{ 335,600,000 or 54·5 per cent.
Exported, for manufacture abroad. }	—	{ 102,200,000 or 25·7 per cent.	—	{ 280,700,000 or 45·5 per cent.
		of the total supply.		

TABLE R.—WOOL retained for MANUFACTURE in the UNITED KINGDOM, the UNITED STATES, FRANCE, and GERMANY respectively, in the years 1866, 1876, and 1884.

	1866.	1876.	1884.
	lbs.	lbs.	lbs.
United Kingdom (imported and home-grown) -	313,000,000	369,000,000	331,000,000
United States (imported and home-grown) -	229,707,000	235,020,000	376,036,000
France (home-grown not included, amount unknown).	190,119,000	271,484,000	365,767,000
Germany (home-grown not included, amount unknown).	No returns.	143,260,000	232,962,000

NOTE.—The domestic production of wool in France decreased from 43,434,300 kilos. in 1876 to 36,351,200 kilos. in 1882.

The domestic production in Germany has decreased from about 62,273,000 lbs. in 1873 to about 47,974,000 lbs. in 1883.

TABLE S.—SILK MANUFACTURE in the UNITED STATES and the UNITED KINGDOM.

	1860.	1870.	1880.
	£	£	£
United States: value of raw material used (dollar=4s. 2d.).	812,870	1,628,658	3,864,409
United Kingdom: value of raw material imported, less re-exports.	6,482,066	5,774,510	3,383,373
United Kingdom: Silk manufactures imported, less re-exports -	3,119,395	15,078,622	13,065,912



3781, 3785,  
3798-800,  
4056,  
6236-8.

The seriously diminished value of our exports of woollen, linen, and silk goods during the years 1880-84, as compared with the years 1870-74 (*see* Table G.), must, when regarded in the light of these facts, be accepted as a clear proof that foreign tariffs are the great cause at work to prevent the natural and healthy growth of these important industries in this country.

Their rapid  
growth in  
other coun-  
tries.

3782-3,  
6859-61,  
7195-9,  
7332-3,  
7471,  
7553-4,  
7562-8.

Increasing  
import of  
textile  
fabrics.

4056,  
4079-82,  
4086,  
4111-14,  
4169-70,  
4215-18,  
14,262.

51. How rapidly they must have been growing in France, Germany, and the United States—whilst comparatively languishing here—is strikingly shown in Tables Q., R., and S. In the eight years from 1876 to 1884, France, Germany, and the United States increased their annual consumption of wool by 325,000,000 pounds, or (allowing for the estimated diminution of the home production of France and Germany), 295,000,000 pounds, that is 45 per cent.; whilst ours increased only by 12,000,000 pounds, or  $3\frac{1}{4}$  per cent. The simultaneous progress of the silk manufacture in the United States and decay in this country, during the past 20 or 25 years, is not less remarkable, especially when taken in connexion with our quadrupled import of silk manufactures.

52. It is equally important to observe (*see* Table G.) that, whilst foreign tariffs have operated to limit our export of the three classes of textiles just named, they have by no means prevented the protectionist nations, who manufacture under their shelter, from immensely increasing the value of their exports of the like manufactures to this country during the same period, in spite of the great fall of prices, and of the fact that much labour and machinery connected with those industries in the United Kingdom were all the while wholly or partially unemployed. This is illustrated by the extraordinary fact that, whilst the value of our *exports* of worsted and woollen manufactures in the five years 1880-84 exhibited, as compared with the five years 1865-69, a *decrease* of 43·1 per cent., the value of our *imports*, comparing the same periods, showed an *increase* of no less than 214·9 per cent. These facts confirm the evidence given before us by witnesses connected with various industries, that in the case of countries like Germany, possessing in ample measure the population and other resources required for successful manufacturing enterprise, the adoption of a system of import duties on manufactures, and even on primary articles of food, has not disqualified them from successful and growing competition with us in the home and colonial as well as in neutral markets.

1398-1400,  
2382, 3927-  
30, 5395-  
415, 6321-4,  
6867, 7084-  
6, 7172-3,  
13,718,  
14,193-5.

Loss of en-  
trepôt trade.

53. Upon this relative decline in our position as manufacturers of these textiles, should it prove lasting, must inevitably follow a like decline of our mercantile and financial business in connexion with the import and sale of the raw materials, as well as the export of manufactured goods.

10,736-9.

Already "London has ceased to be the distributing centre of the silk trade" [*Economist*, Supplement for August, 1886, page 7]; nor are there wanting signs that, with the rapid shifting of the bulk of the woollen manufacture to the continent, London must lose the handling of a large proportion of our colonial wools at no distant date.

Decline of  
employment  
relatively to  
population.

71-2.  
13,163-4.  
13,326-7.

54. It is clear, then, that, relatively to population, there is a decline in the employment afforded by agriculture and textile manufactures, which appears progressive. The iron and coal trades are depressed, and, though some temporary recurrence of the American demand may be experienced, the prospect of full and regular employment for the labourers dependent upon them seems both distant and uncertain. Other important trades—including the hardware manufactures of Birmingham and Sheffield, the sugar refining of Greenock, Liverpool, and London, the manufactures of earthenware, glass, leather, paper, and a multitude of minor industries—are seriously affected by the joint or separate influence of protective tariffs, export bounties, and foreign competition. Some of the minor industries, too, engaged in the production of raw materials which are being displaced by increased importations from abroad, exhibit a progressive decline (*see* Appendix to First Report, Table 10, p. 140).

3236-41.

55. Such a decline of employment is of special significance in the case of a country like our own, which, with a rapidly increasing population, is continually reducing its production of staple articles of food, and buying an increasing proportion of them abroad. For the other great industries of a nation so circumstanced ought to increase as much more largely in proportion to its population as will compensate for the diminished employment afforded by agriculture.

If its people grow less of their food, they must needs produce so much more of some commodities through the sale of which their labour can be exchanged for food. We are here considering, not the increase of the total wealth of the nation in whatever hands, but the means by which the great body of the people, who are necessarily dependent on their own labour for a livelihood, are to obtain a title to their needful share of commodities.

56. We think the insufficiency of employment is the most serious feature of the existing depression ; and it is an important, indeed an anxious question, whether in the face of the ever increasing restrictions placed upon our industry by foreign tariffs, and the ever increasing invasion of our home market by foreign productions admitted duty-free, we shall be able to command a sufficiency of employment for our rapidly growing population.

This is the most serious feature of the depression.  
8755, 8757-60, 9785-6.

57. During the past 40 years a great change has been wrought in the circumstances of all civilized communities by the application of mechanical and scientific aids to the production and transport of commodities, the world over. The amount of labour required to accomplish a given amount of production or transport is already incomparably less, and is being continually reduced. The great difficulty consists no longer, as of old, in the scarcity and dearth of the necessities and conveniences of life, but in the struggle for an adequate share of that employment which affords to the great bulk of the population their only means of obtaining a title to a sufficiency of those necessities and conveniences, however plentiful and cheap they may be. Without that adequate share of employment, increasing masses of the people must lead a precarious and miserable existence in the midst of plenty, no matter what the increase of the total wealth of the nation, as is but too plainly shown by the contrast between the eastern and western quarters of the metropolis.

7778-81.

10,616 :

14,222-6.

The healthy and continuous growth of our industries, not only in productiveness, but in power to afford full and well remunerated employment to the population, is therefore the question of supreme importance ; for upon that must ultimately depend, not only the value of fixed property of all kinds, but the prosperity and social well being of every class of the community.

58. This growing difficulty (the struggle for an adequate share of employment in presence of the abundance and cheapness of commodities) finds its expression in the system of tariffs, export bounties, and other commercial restrictions, adopted and maintained by all civilized nations except our own.

Tariffs the result of the struggle for employment.  
970-1.

The effect upon this country of foreign tariffs and bounties is to narrow the market for our manufactures, and so to cramp the exercise of our industries and to arrest their growth ; to render the employment of those engaged in them partial and irregular, and thus seriously to limit our total production of exchangeable wealth. It is on many accounts impossible for those whose industry is thus checked to turn to the production of "something else" which will be accepted in exchange, but primarily for the simple reason that those tariffs are now applied to almost every exportable product of British industry. Their persistent influence has created protected industries in displacement of our own over so large an area of the civilized world that the exercise of our industry is at last effectually limited, and we are disabled from providing adequate employment for our large and increasing population. We have consequently less to spend, both in the home trade and in the purchase of the raw materials of our industries and other commodities from abroad. For the conditions of international exchange are inflexible ; we can only in the long run buy as largely and as freely as we are permitted to sell.

Their various effects.  
3424.

59. An important effect of the combined influence of foreign tariffs and free imports is to discourage and lessen the investment of capital in the development of our own agriculture and manufactures, and to stimulate and increase its investment in foreign land and securities, and foreign industrial enterprises ; the inevitable consequence being that a large and increasing amount of food, clothing, and other commodities is imported in payment of income due to owners of foreign investments here resident, and therefore without a correspondent export of the productions of our own industries. This directly operates to limit the employment of labour in this country. We think this important feature in our economic position has not hitherto received the attention it deserves.

6603-4.

14,211-12.

14,218.

60. Over-production of the commodities to which they apply is again an inevitable result of high protective tariffs. They artificially create in the protected country a duplicate production of articles which, under the natural laws of supply and demand, were already produced in sufficient quantity in those places where they could be best and most cheaply produced. The effect is a universal glut of those particular articles ; (1) in the natural seats of production, which are violently deprived of all or part of their wonted employment ; (2) in the neutral markets, upon which they are now driven to force their accumulating productions ; and (3) in the protected market itself, which, oppressed by an artificially stimulated production, pours its surplus upon the markets it finds most freely open.

5384-8.

6066, 6432.

14,271-3.

6205-6. 61. The protected country no doubt participates in the depression created by its policy; it is checked in the unnaturally rapid development of its industries; but the case of the legitimate seats of production is far harder; they are deprived of employment which they had long and deservedly enjoyed under fair and open competition, and they are injured by the forced sales made by protected competitors in their own, the only open market.

1734, 5, 7, 1743,  
1784-6, 2066-8,  
2080-2, 2467, 5144,  
6484-6, 7080-3,  
7233, 7253, 7427-  
30, 7436-7, 14,263,  
14,595, 14,610,  
14,652-6.  
62. For the producer in the protected country, placed in secure possession of a great and steady home trade, enters with confidence and spirit upon an enlarged scale of operations, and in doing so brings into play every invention or improvement that can contribute to the perfection and economy of his work. He thus becomes far stronger than before for competition in neutral markets, and can well afford to dispose of his surplus production and to clear his stock at the end of each season in the English—the only duty-free—market, whilst the tariff of his own country shields him from reprisals.

1727.  
8237-41. 63. The depression of productive industries caused by the operation of high tariffs is therefore of necessity felt by those of protectionist countries as well as by our own. But with this important difference: theirs are depressed by an artificial stimulus, causing a glut through over-production; whilst ours are depressed by loss of markets and consequent restriction of sales, causing a glut through want of demand.

3852-4,  
6598.  
8256-7. 64. Thus the natural relation which should under ordinary conditions be maintained between supply and demand has been destroyed by the system of high tariffs. The continually increasing power of production is maintained and stimulated by another cause than the natural and spontaneous demand for commodities, the wants of consumers being no longer supplied by the most efficient producers, but by those receiving direct or indirect State aid.

Constant displacement of labour by improvements in machinery, &c.  
3343. 65. We must also point out that the displacement of labour, which is always proceeding owing to the increased use of machinery or other labour-saving appliances, cannot fail to create distress among the working classes, unless accompanied by that continuous and healthy expansion of agricultural and manufacturing industry, which, as we have already shown, has of late years been wanting. And this distress was aggravated during the last winter by the exceptional severity of the weather. On this point we may refer to the results of an inquiry instituted by the Local Government Board in the early part of the year, from which it would appear that the winter of 1885-86 was marked by a general want of employment such as has not been felt for five or six years.

66. It remains to examine more closely the causes which have assisted to produce the state of things above described.

12,108-10.  
12,306. 67. We have shown that the production of almost all classes of commodities has continued to increase; and there can be no doubt that the price obtainable for them has tended to diminish. This tendency, however advantageous it may at first sight appear to the consumer, lessens the reward of those engaged in production; and considered in its effect upon agriculture, as well as upon manufacturing and mining industries, in diminishing the value of commodities, whether for home consumption or export, must have imposed a serious check on the general prosperity of the country.

It is thus not difficult to account for the wide-spread sense of depression which undoubtedly exists, and seems to have been increasing in intensity every year.

Producers receive a smaller share of the increment of wealth than formerly.  
478-83. 68. We have observed above that the complaint proceeds chiefly from the classes who are more immediately and directly concerned in production; and it is quite certain that of the wealth annually accumulated in the country a smaller proportion falls to the share of the producing classes than formerly; the reward of capital and management being less, and the employment of labour not so full and continuous. This condition of affairs presses hardly upon those whose chief or only capital consists in their skill and experience in the management of productive undertakings.

Tendency of the rate of interest to diminish. 69. There is also, in consequence of the unremunerative character of the trade of the country, a decreasing field of employment for capital, which has resulted in a diminution of the current rate of interest as well as of profits; and this has tended to create among the capitalist class a sense of depression corresponding to that which we have noticed as prevailing among the employers of labour.

70. Whenever the accumulation of capital outruns the expansion of trade and industry, the rate of profit upon its employment must inevitably tend downward. We think this has for some time past been the condition of affairs in the United States, and in other great commercial nations, as well as in this country. We are, therefore, inclined to consider some diminution in the rate of profit upon capital, as distinguished from the remuneration of skill and judgment employed in management, as one of the permanent elements in the condition of industry in this country.

71. One of the commonest explanations of the depression of trade and absence of profit is that which attributes it to over-production; by which we understand the production of commodities (or existence of the agencies of production) in excess, not of the capacity of consumption if their distribution were gratuitous, but of the demand for export at remunerative prices, and of the amount of income or earnings available for their purchase in the home market, that is, of profitable employment for the population.

Over-pro-  
duction.  
4267,  
4276-9,  
4315,  
4672-3,  
4676-7.

72. The depression under which we have so long been suffering is undoubtedly of this nature. The purchasing power of that large proportion of the community who depend upon production,—and especially of those who depend upon agricultural production,—has been seriously crippled. Bad seasons and the competition of the produce of other soils which can be cultivated under more favourable conditions than our own, have reduced the quantity or the exchangeable value of the products which the agricultural classes have to offer for the commodities they desire. And foreign tariffs have restricted the export, whilst foreign competition has interfered with the sale in the home market, of the productions of our manufactories and mines.

73. And while these influences have been at work to limit demand, others have been operating to stimulate production.

Machinery is being continually made more perfect, new processes which cheapen the cost of production are being continually introduced, and the capacity of production thus steadily tends to increase.

74. This tendency was greatly intensified through the stimulus given to production by the great demand for all manufactured goods which followed the war of 1870-71.

Effects of  
the Franco-  
German war  
of 1870-71.  
3978-9.

Demand which was obviously only temporary, being that of protectionist nations whose own production was for the moment interrupted or insufficient, and of their customers, was treated as if it had been of a permanent character; and manufacturers in this country and elsewhere enlarged their power of production accordingly.

When, however, the production which had been interrupted by war was resumed, its effect in every field of competition was keenly felt, and under this stress efforts were made on every hand to reduce cost by an increase of the output, with the necessary result of further enlarging the disproportion between production and demand. We believe that in some departments of industry the influence of those events is still more or less felt.

5788-9.

75. The remarkable feature of the present situation, and that which in our opinion distinguishes it from all previous periods of depression, is the length of time during which this over-production, or existence of the capacity of over-production, has continued.

There must be some special cause for systematic over-production, or over-provision of the agencies of production, continued during so long a period, and resulting, according to the unanimous testimony of the witnesses who appeared before us, in an entire absence of profit on large classes of commercial operations.

76. We have no doubt that the chief agency in perpetuating this state of things is the protectionist policy of so many foreign countries, of which we have spoken, and which has become more marked during the last 10 years than in any previous period of similar length.

Protective  
tariffs cause  
persistent  
over-produc-  
tion.

The high prices which protection secures to the producer within the protected area naturally stimulate competition in foreign markets. As already explained, the surplus production which cannot find a market at home is sent abroad, and in foreign markets undersells the commodities made under less artificial conditions.

189, 191-3, 200,  
267, 271, 318,  
1073-5, 5730-1,  
4246, 6167-6171,  
6283-6, 6400-4,  
9723, 14,434,  
14,487-9.

77. The relation between production and demand has been further disturbed by the operation of the Limited Liability Acts.

Effects of  
the system  
of Limited  
Liability.

The investment of small sums in public companies by large numbers of shareholders, who have for the most part little knowledge of business, and little capacity or time for joint action in defence of their interests, has created a class of "promoters," whose interest lies rather in the creation of an industrial undertaking and the early sale of its shares at a premium, than in its permanent soundness and prosperity. Under such circumstances little consideration is given to the important question whether there exists a legitimate opening for extended production, and for the steady employment of additional labour in the industry to be pursued.

514, 517,  
665, 4333,  
5072-3,  
5117,  
5600-3,  
5188-90.

The limitation of the liability also tends to encourage a less cautious or more speculative system of trading than can be safely pursued by a trader who is liable to the full extent of his property for the result of his operations. And the consequence is that production is often carried on under limited liability for some length of time in

586, 4486-  
4504, 5044-  
6, 6208-9.

the presence of conditions which would have compelled the ordinary producer to have restricted his out-put at a much earlier period.

Even the loss of capital which has resulted from the failure of a considerable number of these companies has not produced all the effect which might have been expected in curtailing their operations, as the losses are spread over a large number of individuals, and are therefore less severely felt. Moreover, new undertakings are constantly formed upon the ruins of those which have failed, and, profiting by the depreciation of the property to which they succeed, are able to continue operations on the same scale as before.

We do not offer any opinion as to how far trading carried on under these conditions is beneficial or otherwise to the community; but we desire to note the fact that they have exercised an important influence upon the extent of production, the rate of profit obtainable on the capital, and the regularity of employment of the labour engaged in it.

and of more direct and rapid communication between producers and consumers, 4757-9, 5278, 7038, 7092-100, 7122-32.

78. A cause of a more temporary character, which has in some small degree increased the pressure of commodities upon the market, arises from a change in the method of distribution in recent years. The tendency has been to place the producer in more direct communication with the consumer, both by increased rapidity of transport and by the elimination of certain classes of middlemen. The stocks of goods which have usually been held in the intermediate hands have, in consequence of this change, been available for consumption without requiring replacement. We believe, however, that this operation has had much less effect in depressing prices and profits than might at first sight be supposed, since it can only take place once for all in each instance.

and of the serious fall of prices.

79. Another element of great importance in the situation is the serious fall in prices, to which we have above referred.

There can be little doubt that production and commercial enterprise are stimulated to a greater extent by rising than by falling prices. Whatever may be the inconveniences of a rise in prices, it certainly encourages a greater activity in production for the time being, and an increased spirit of enterprise in all classes engaged in commercial operations.

7038.

In times when prices are falling, on the other hand, speculation, even of a perfectly legitimate kind, is checked, and production tends to diminish. The manufacturer or trader does not know to what extent the value of his stock may shrink, and defends himself by limiting his operations to the utmost.

80. We expressed in our Third Report the opinion that this continuous fall in prices, so far as it has been caused by an appreciation of the standard of value, is a matter deserving of the most serious independent inquiry; and we do not therefore think it necessary to investigate at length the causes which have brought it about. But we desire to give it an important place in the enumeration of the influences which may have tended to produce the present depression.

Diminution of demand for our productions both in the home market

3365. 1363, 4765-8, 5864, 8372, 8770-2, 8893, 9030, 9140, 9897-8.

81. There can then be no doubt that the demand for our productions has been considerably restricted by various influences, both at home and abroad.

First, as regards our home market. We have, as above pointed out, suffered a serious loss in our purchasing power by reason of the deficient or unremunerative character of the produce of the soil. Sir James Caird estimates the loss in recent years of the purchasing power of the classes engaged in, or connected with, agriculture at 42,800,000*l.* per annum. This amount has been withdrawn from the markets in which it was formerly spent, and cannot fail to have had an important influence upon the demand for manufactured goods. This we fear must be reckoned among the permanent elements of the depression.

An effect of a similar kind, though less in degree, has been produced by the increased competition in our own market of foreign manufactured or partly manufactured goods, the importation of which appears to grow at a more rapid rate than the population, having been 1·97*l.* per head in the period 1870-74 and 2·35*l.* per head in the period 1880-83.

To this may be added the falling off in our "entrepôt" trade, owing to the increasing tendency of foreign countries to supply themselves directly, instead of through our markets.

and in foreign markets. 1364, 2510-5.

82. Secondly, our trade with foreign countries is becoming less profitable in proportion as their markets are becoming more difficult of access owing to restrictive tariffs. The actual falling off in the total volume of our trade with protectionist countries may be greater or less in various instances and at different times; but there can be no doubt that the obstruction to our trade caused by the increasing stringency of the commercial policy of those countries not only tends to prevent its natural growth, but also to make it less profitable; for, except in the rare and temporary case of an in-



sufficient supply of some special commodity, our producers and exporters undoubtedly sacrifice a portion of their fair remuneration in their efforts to retain business in the face of protective duties. Nor must we overlook the influence of these tariffs on the character as well as the total amount of our exports; they diminish the proportion of finished manufactures employing much valuable labour, and increase the proportion of raw products, such as coal, old iron, wool, salt, &c., which employ but little labour in comparison. (*See Table H.*)

83. Further, in neutral markets, such as our own colonies and dependencies, and especially in the East, we are beginning to feel the effects of foreign competition in quarters where our trade formerly enjoyed a practical monopoly. Increasing severity of foreign competition.

84. The increasing severity of this competition, both in our home and in neutral markets, is especially noticeable in the case of Germany. A reference to the reports from abroad will show that in every quarter of the world the perseverance and enterprize of the Germans is making itself felt. In the actual production of commodities we have now few, if any, advantages over them; and in knowledge of the markets of the world, and readiness to accommodate themselves to local tastes or idiosyncracies, they have evidently gained ground upon us.

85. It is also stated that, in consequence of the more active support received from their Consuls, the Germans are able to push their trade in some markets more successfully than their English competitors. 204, 5, 4021, 6601.

86. There is evidence that, in some departments, the reputation of our workmanship does not stand so high as it formerly did. The intensity of the competition amongst exporting merchants, and amongst distributors in foreign markets, and the difficulty of competing with native producers favoured by protective tariffs, have led to the skilful pushing of the sale of meretricious articles of fair appearance but of less intrinsic value; and the orders given to our manufacturers have thus too often been for cheap goods of inferior quality, which have not only failed to give satisfaction themselves, but have also affected the reputation of other classes of goods to which no such exception could be taken. We do not see how our producers are to control this unfortunate condition of things; and it is only fair to observe that, where they have been supplanted in neutral markets, there is much evidence to show that it has often been by goods of more showy appearance, and less sterling worth and true cheapness, than their own. Production of inferior goods; its causes and effects.

87. The reputation of British workmanship has also suffered in another way by the fraudulent stamping of inferior foreign goods with marks indicating British origin. This appears to be particularly the case with the hardware goods of Birmingham and Sheffield, which have secured so wide a reputation in the markets of the world. Fraudulent marking and description of goods.

We regret to learn that the fraudulent marking or description of goods is also to some extent prevalent in this country, and that, as must always be the case, it has inflicted serious injury on those branches of industry in which it has occurred.

88. Considerable importance is attached, by many witnesses who have appeared before us, to the effect upon trade, on the one hand, of legislative restrictions on the employment of labour, and, on the other, of the action of the working classes themselves by strikes and similar movements, in making production in this country more costly than elsewhere. Comparative cost and efficiency of our own and foreign labour.

89. With regard to the comparative cheapness and efficiency of labour carried on under the conditions which prevail in this country and foreign countries respectively, there would appear to be great difference of opinion. But we are inclined to adopt the view held by many who have had personal experience of both, that the English workman, notwithstanding his shorter hours and higher wages, is to be preferred. 11,082, 11,901-2, 13,724, 14,646.

90. But whilst it is probable that no advantage in the real cost of labour is enjoyed by foreign employers, they obtain a great advantage over their British competitors in economy of production, through working their plant and machinery much longer hours. Use of machinery a greater number of hours per week cheapens production.

In France the hours of factory labour are 72, as against 56½ in this country, and night work being permitted, factories are in many cases worked 132 hours or more per week.

The heavy fixed charges are thus distributed over a much larger volume of production. 3906-15, 4307, 4369-70, 5150, 6601, 6623-35, 7013, 7108-15.

91. There is no feature in the situation which we have been called upon to examine more satisfactory than the improvement which has taken place in the condition of our labouring population during the last 30 or 40 years. We think there can be no question that the workman in this country, so long as he can secure full employment, is in almost every respect in a better position than his competitors in foreign countries,



the United States excepted, and we do not believe that any diminution of his productive capacity has resulted from this improvement in his position.

2595-8.  
5153-4.  
8268-5.  
But benefits  
gained  
through  
legislative  
regulation of  
labour too  
precious to  
be sacrificed.  
We must  
therefore  
defend our  
employment  
in some  
other way.  
14,976-7.

92. But even were it admitted that, by working longer hours and at lower wages, the efficiency of our workmen would not be impaired, that our position in international competition would be strengthened, and that production, and consequently profitable employment, would be increased, we cannot believe that public opinion would sanction any retrograde movement in a matter which touches so nearly the health, comfort, and well-being of the labouring population.

As regards the future, it must be for the country and the workman himself to decide whether the advantages of the shorter hours compensate for the increased cost of production through diminished output on a given basis of fixed expenses. But it must never be forgotten that the continued employment of the workman, and his consequent ability to earn an adequate livelihood, is the condition precedent of his enjoyment of these or any other benefits. Should any failure of that employment result from our adoption of beneficent restrictions too slowly followed by our foreign competitors, a remedy must, we are firmly convinced, be sought in some other direction than the reversal of a policy so enlightened and so humane.

93. It is, however, right to point out that the share of the total reward of production which now falls to labour is larger, and the share which falls to capital much less than in times past; and this is obviously a process which cannot be continued beyond a certain point, now very nearly, if not quite, attained. A time may come when capital, ability, and enterprise will no longer find in this country sufficient inducement to go on extending the work of production; and if the employer is driven out of the field, the labourer will necessarily suffer with him.

Indeed if the productive industries of the country should, from any cause, become unable to hold their own against foreign competition, the loss must, owing to the greater mobility of capital than of labour, fall upon the workman with even more serious effect than upon those by whom he is employed.

Trade so-  
cieties.

94. We should wish to add that, in our opinion, the depression of trade and industry cannot, with any justice, be attributed to the action of trades unions and similar combinations. The administration of these associations in past times not unfrequently laid them open to criticism, but we feel bound to record our opinion that they have on the whole been conducted with constantly increasing judgment and moderation, and that their operation has been in many ways beneficial, both to the community and to the interests which they specially represent.

12,017-8.

95. Many employers fully recognise the advantage which they obtain in being able to deal with large bodies of men through their appointed officers (who are generally selected from the most intelligent members of the society), rather than directly with numbers, who, though in default of organisation they may be weaker, are also less likely to know in which direction their true interests lie.

Increase of  
local taxa-  
tion.

1016, 1021,  
11,702,  
12,320,  
13,710.

96. We have no evidence to connect the depression of trade directly with the increase, or with the incidence, of taxation.

97. Of the fact of the increase, especially in local taxation, there is no doubt; and it is unfortunate that a heavier burden should have to be borne by producers at a time when they find it so difficult to meet the severe and growing competition of foreign countries. At the same time it will probably be found that, relatively to the population and the wealth of the country, the burden of taxation presses more lightly on other classes of the community than in previous periods.

98. It is of course important to take any measures which may be feasible for economising public expenditure. But we have not thought it our duty to enter upon this matter, or to discuss the question how far the burden of taxation is rightly distributed among the different classes of the community.

Cost of the  
transport of  
goods.

99. Among the causes which are said to have aggravated the prevailing depression, scarcely any have been more persistently put forward than the difficulties connected with the transport of goods.

The complaints under this head may be divided into three classes:—

(a.) That the railway companies regulate their charges so as to favour one district or place or trade at the expense of another.

(b.) That the cost of transport in this country is excessive as compared with the charges made for similar services in other countries, and unduly favourable to foreign produce landed at our ports as compared with domestic produce of like kind; and that consequently our home trade is being crippled or destroyed to the advantage of our foreign competitors, who are able to place their goods in our markets at a less expense than the home producers.

9696-7.

9943-6.

- (c.) It is contended that if the water communications of the country were properly developed, an effective competition would thus be established which would regulate the monopoly now possessed by the railways.

100. With regard to the first of these points we would observe that even if the allegation made were proved, it could only account for a partial or local depression of trade, and would throw no light on the general depression of the trade of the country which we are considering. What one trade or locality loses must obviously be gained by the trade or locality which is preferentially treated. Railway charges.

We are ourselves disposed to agree with the conclusions arrived at by several Committees or Commissions who have considered the subject in previous years, and to deprecate too much legislative interference with the general freedom of the railway companies to manage their affairs in the way they deem best.

We think, however, that they ought to be required to publish tables of their rates and charges in a clear and easily intelligible form, and a statement of any modifications made by them in favour of individual customers or of any class of customers.

101. As regards the second point, it is no doubt true that railway carriage on the continent is cheaper than in this country. This is due partly to the lower initial cost of railways on the continent, and partly to the longer distances to be traversed, which make the rate per mile much lower. We do not think, however, that any steps could be taken to enforce a general reduction of the charges in this country, which, it must be remembered, have the sanction of the Acts of Parliament on the faith of which the capital was subscribed. 14,982-4.

But, apart from this question, we are inclined to think that, not only the comparative cheapness of land transport on the continent, but the cheapness of the sea transport between the continent and this country is felt by our producers; and we notice that the complaints under this head proceed generally from the inland towns who have no means of transport except those afforded by the railways, rather than from the seaports, who can bring to bear upon the railways the natural competition afforded by the sea. The inland producer, who can only move his goods by railway, is, in fact, at a disadvantage compared with the producer on the sea coast, whether of this or a foreign country, who enjoys the benefit of the cheaper water carriage.

We can see no justification for depriving the producers on or near our coast of the natural advantages which their position gives them; indeed, it is only fair to point out that the position of the inland producer has been distinctly improved by the introduction of railways, which enable him to compete on much better terms than formerly with those who have the natural advantage of the seaboard.

But we are of opinion that no inequalities of railway mileage rates ought to be permitted in this country, which have the effect of giving an unfair advantage to the foreign, as against the home producer.

102. As regards the third point, we find ourselves more fully able to agree with the complainants; and we think that measures should certainly be adopted, both to permit of the free development of canals wherever they are likely to be useful, and to prevent their being directly or indirectly controlled by the railway companies, as appears to be the case in many parts of the country. Development of water carriage.

103. Among the causes of minor or less general importance which are stated to have contributed to the prevailing depression, we may mention the excessive royalties alleged to be exacted by the owners of the mineral wealth of the country. Royalties on minerals.

104. It is stated that the average amount of royalty on the constituent elements of a ton of pig iron in this country varies from 3s. to 6s. 3d., while in France and Germany it is only from 6d. to 1s.

But we see no reason to doubt that the price charged by the owners of the minerals, whatever it may be, is, or at any rate was at the time when it was fixed, the fair market price of the commodity, settled in the same manner and by the same forces as such prices usually are,—in proportion to the quality of the deposits and the advantages or disadvantages of their position. 3562.

Complaints are also made that the conditions usually attached to mineral leases are of an oppressive or onerous character, and tend to hamper production; but the remedy appears to lie entirely in the hands of the parties concerned, and will no doubt be applied at the proper time, and to the required extent, through the process of free contract.

Minor causes of the depression. 2100-9, 2394. 10,942-3.	<p>105. Among the minor causes of the depression a place should also be given to the following :—</p> <p>The substitution of steel for iron, both in railway construction and in shipbuilding, and the consequent economy of material.</p> <p>The excessive production of shipping in 1882-83, which brought about its natural result in depressing both the shipping and shipbuilding industries.</p>
371-3.	<p>The extension of railway transport throughout Europe, which has given producers in France, Germany, Austria, Switzerland, and Belgium, cheaper and readier access to many consuming markets than is enjoyed by our own.</p>
General summary.	<p>106. We have now reviewed the more prominent features of our commercial position, and the forces which have contributed to bring it about.</p> <p>We have shown that whether the total wealth of the country has or has not increased, its distribution has been undergoing great changes; that the result of these changes has been a relative increase of the wealth and prosperity of owners of foreign investments, and importers of foreign produce and manufactures, who, along with retail distributors and consumers, have all profited at the expense of producers; that, setting aside the large class who depend upon productive industries and investments connected therewith, the general condition of the rest of the community is prosperous; that those of the working classes who are still able to obtain full employment are in a better position than at almost any previous period of our history; but that owing to the losses of producers and of owners of property used for purposes of production, and the consequent deficiency of employment in many industries, the demand for commodities does not increase at the same rate as formerly; and that our capacity for production is consequently in excess of our home and export demand, and could, moreover, be considerably increased at short notice by the fuller employment of labour and appliances now partially idle. That this state of things is due, partly to the competition of the capital which is being steadily accumulated in the country; partly to some remaining effects of the artificial stimulus given to production by the events of 1870-71; partly to a constantly increasing import of foreign manufactures and other commodities which could well be produced in this country; and still more to the restrictions imposed by protective tariffs upon the natural and healthy growth of our export trade, especially in finished manufactures, the production of which employs much skilled labour. And, lastly, that our position as the chief manufacturing nation of the world is not so undisputed as formerly, and that protectionist foreign nations are beginning to compete with us successfully in many markets of which we had in past times almost a monopoly.</p> <p>107. We have also shown that some elements in the situation above described are independent of our own control; namely, the depression in agriculture, so far as it is the result of unfavourable seasons; the fall in the rate of profit which it is the natural tendency of the accumulation of capital to effect, whenever, from any cause, the expansion of trade and industry fails to keep pace with it; the displacement of labour caused by improvements in machinery and in the processes of production; and the protectionist policy of foreign countries.</p> <p>While other elements again are to a great extent dependent on causes within our own power to remove; such as any deterioration in the quality of our manufactures; any want of care or enterprise, or of legitimate Consular assistance, which permits our foreign rivals to compete with us successfully in markets which have been, and might again be, our own; any defects which may be found to exist in our domestic legislation on commercial matters; and the maintenance of a fiscal system which permits foreigners to bring their directly or indirectly subsidised productions, untaxed, into competition with our own in the home market, whilst they impose exorbitant duties upon our productions exported to them.</p> <p>We have the following remarks and recommendations to make.</p> <p>108. The primary task imposed upon us is, of course, the cheapening of the cost of production so far as it can be done consistently with the maintenance of sound quality and good workmanship, and, what is of still higher importance, without detriment to the health, comfort, and well-being of the labouring population; and in its fulfilment we have the aid of natural advantages such as are possessed by few of our rivals.</p> <p>109. The increasing severity of the competition of foreign countries cannot fail, however, to put to the utmost proof the vigilance and skill of our manufacturers and merchants. We cannot, perhaps, hope to maintain, to the same extent, the lead which we formerly held among the manufacturing nations of the world. Various causes contributed to give us a position far in advance of other countries, which we were well</p>
4665-7.	
Remarks and recommendations.	

able to hold for many years ; but those causes could not operate permanently, and our supremacy is now being assailed on all sides.

110. But if we do not possess to their full extent the advantages we formerly enjoyed, we have still the same physical and intellectual qualities which gave us so commanding a lead ; and we see no reason why, with intelligent care, enterprize, and thoroughness, we should not continue to hold the foremost place wherever we have the opportunity of free and fair competition.

111. It is obvious that we must spare no activity in the search for new markets, and in the effort to accommodate our productions to local tastes and peculiarities.

Search for  
new mar-  
kets.

Even in matters of so little apparent importance as weights and measures, it would seem that our disinclination to adapt ourselves to the convenience of our customers has not been in some cases without injurious effect.

112. It would be difficult to estimate the extent to which our industries have been aided in various ways by the advance of elementary, scientific, artistic, and technical education during the past 20 years. But we must not rest upon our oars ; for in certain respects some of our foreign competitors appear to be in advance of us, and it is evident that, even in neutral markets, we shall only be able to hold our ground by a continual advance in intellectual training, scientific knowledge, and true artistic taste on the part of both employers and workmen.

Improved  
educational  
training.

4041-2,  
4625,  
4723-4,  
5169,  
6301-3,  
7213-27,  
7462,  
7988,  
11,152-5.

In view of these facts, attention has of late years been wisely directed to the importance of technical education ; for though in some of our great industries the best of all technical schools must always be the well ordered factory or workshop, there are other important manufactures in which the technical instruction imparted in schools specially organized for that purpose, will be indispensable.

There is one department in the work of elementary schools which, though of vital importance to the success of our industries, has not yet, we think, received sufficient attention. We allude to the disciplinary training of children. It is a remark often made by experienced managers and foremen in manufactories, that the children who now come to them from elementary schools are not, to say the least, more receptive of that industrial training which is required to make them skilful and active workers, than those were who came in former years equipped with a smaller amount of school-learning. We think that the careful and thorough training of children in habits of punctuality and order, of alacrity and diligence, and of close attention and prompt and implicit obedience to instructions, ought to occupy more of the time and thought of teachers in elementary schools ; and that its results should be more strictly tested in examinations, and should influence the amount of grants in aid much more largely than is now the case.

113. Suggestions have been offered by several witnesses as to the assistance which might be afforded to our trade by Your Majesty's Diplomatic and Consular Officers abroad, especially in reporting information with regard to the requirements of foreign markets, and in answering inquiries from merchants and others on such matters.

Diplomatic  
and consular  
assistance.

4320, 6757.  
7373-7.  
8023-4.

We gladly recognize the efforts which have been recently made to utilise the services of these officers more effectively, but we doubt whether their functions could be usefully extended in the direction just indicated. It is very important, having regard to their position and duties in foreign countries, that they should be neither directly nor indirectly engaged in commercial operations, and we fear that inconvenience would be felt if they assumed in any degree the character of agents for mercantile houses.

But we cannot doubt their readiness to give as large a measure of information and of legitimate support to our merchants, as is given to merchants of any other nationality by their Diplomatic and Consular Officers.

Any information which they may acquire with regard to the trade of the district in which they reside, and which is likely to be useful at home, should, of course, be reported and made public at once ; and this may easily be provided for. We believe that information of greater practical value might often be obtained, if those requiring it would communicate to the Foreign Office the special points in regard to which it is desired. But we should deprecate any change in the position of our Consuls which would bring them into closer relations with individual firms.

6771-2.

114. Nor do we think that it would be desirable for them to take a more active part in pressing particular schemes or enterprizes set on foot by British traders in foreign countries. The representatives of some of our competitors may have been more active in this respect in some cases than our own Consular and Diplomatic Officers ; but such action must, we think, tend to lower the reputation of the country, and to diminish the usefulness of the officers concerned.

115. We think that a large proportion of the statistics and tables which now appear in the annual Consular reports might be omitted without disadvantage, and that they should contain more information in regard to matters of immediate and practical interest.

116. In connexion with the development of new markets for our goods, we desire to call special attention to the important subject of commercial geography, and to the letter from Commander Cameron, which will be found in the Appendix to this Report.

Statistics of internal trade.

117. In the course of our inquiry we have frequently experienced the want of accurate statistics with regard to the details of our home trade. We would strongly recommend that steps should be taken to procure fuller information, both as to the annual production of the leading industries of the country, the total amount of wages paid every year in each, and the distribution of our industrial population.

Uniform classification of imports and exports.  
645-54.

118. In the returns of imports and exports we would urge the importance of a strictly uniform classification; so that an article appearing under a given head or general class in imports should always appear under the same in exports.

Prevention of fraudulent marking and description of goods.  
1257-73, 2694, 2697-8, 2969, 2980.

119. We desire to re-affirm, without here repeating, the recommendations contained in paragraphs 100, 101, and 102 in respect to measures for controlling the charges made by railway companies for the transport of goods, and also as to the free development of inland water carriage.

Amendment of the law relating to limited liability companies.

120. We think that legislation is required for the more effectual prevention of the counterfeit or fraudulent marking or description of goods, whether as regards quantity, quality, or name and address of the actual maker. In certain cases it would be necessary, for the prevention of fraud, to require that the length or other particulars of quantity should be plainly marked on each piece or parcel of goods. And negotiations should be entered into with foreign countries for mutual action in these respects.

121. We are also of opinion that some amendment of the law relating to companies trading under the system of limited liability is desirable; and the following suggestions appear to us to deserve careful consideration.

3680-1.

(1.) That no such company should be allowed to be fully constituted, or to commence business, until at least two thirds of its nominal capital shall have been actually subscribed, and a reasonable proportion thereof paid up.

5813.  
696-7.  
703-5.

(2.) That the borrowing powers of such companies should be more strictly limited than at present.

(3.) That a complete statement of accounts, in the prescribed form, and certified by some duly appointed auditor, should be required to be sent by every such company at least once a year to the Registrar of Joint Stock Companies.

5815.

(4.) That a much simpler and cheaper system should be arranged for the winding up of such companies under the control of the Courts of Bankruptcy, instead of the present cumbrous method in connexion with the Courts of Chancery.

But foreign bounties and tariffs are the chief disturbing cause.

3935, 4051,  
5389-94,  
6265,  
13,715-6.  
14,293-4,  
14,378-9.

122. The above recommendations, though referring to matters in themselves important, leave untouched the greatest and most permanent causes of the depression, which are undoubtedly, as before stated (paras. 28, 58-64, 76, 81, 82), the action of foreign bounties and tariffs, and the growing effect of directly or indirectly subsidised foreign competition. These are not natural difficulties, but difficulties artificially created by the legislation of foreign states; and they tend continually to grow, not only through the increase of the restrictions themselves, but much more through the circumstance that tariffs which in former years offered but a slight obstruction to trade, have become more and more prohibitory through the advance of the protected industries towards equality with our own.

Producers are powerless to overcome their influence.

6265, 454.  
7481, 7491,  
7732-3,  
7752-3,  
13,793,  
13,826,  
13,864,  
13,868-73.

123. Nor can any efforts of producers, however intelligent or energetic, lessen these difficulties; for every improvement made by them is at once appropriated by their protected foreign competitors, through the purchase of English machinery, and the engagement for a time of English superintendents.

On the contrary, it is inevitable that any industry which is engaged in a hopeless struggle against insuperable difficulties must sooner or later fall into a condition of languor, and of decreasing ability to meet competition. Those engaged in it lose heart and hope; capital and talent are gradually withdrawn from it; and as it offers reduced remuneration and a diminished prospect of advancement to skilled labour, the quality of the labour employed in it tends continually to decline, and its productions deteriorate.

Unless prepared to counterwork them, we must endure the de-

124. The depression, then, so far as it arises from the permanent and growing causes just named, cannot fail to recur, after each brief interval of relief, with equal or

increasing force ; and this must be endured, unless the nation shall determine to counterwork by active measures the disturbing influences which are artificially produced by foreign legislation.

pression they  
create.  
7311, 7344-5,  
7358, 9471-2.

125. The most conspicuous, we do not say the most important, case is that of the sugar bounties. The abolition of these bounties is admitted to be desirable, for it has been the object of repeated efforts on the part of the Foreign Office. So long as the bounties are maintained, therefore, it is evident that the imposition of a countervailing import duty must be desirable. Its effect would be to restore to the producers of sugar in our colonies and in India, and to the refiners in this country, the just right of competition on practically equal terms, and to transfer to our own Exchequer the export bounties given by foreign nations. The position of the British consumer would be the same as if we had by negotiation obtained an equivalent reduction of the bounties, whilst in his quality of taxpayer he would be a gainer by the diversion of foreign money into our Exchequer, so long as the bounty-receiving importations continued.

Sugar  
bounties ;  
countervail-  
ing duties  
desirable.  
12,901,  
12,910  
et seq.,  
13,037-45,  
13,156  
et seq.

A countervailing duty of one farthing per lb., or 2s. 4d. per cwt., on all foreign refined sugar and raw beet-root sugar would substantially effect the purpose.

13,046-7.

126. The bounties and subsidies now given by several foreign countries, on the building and working of ships of their respective nationalities, have probably not yet produced their full effect on the interests of our shipbuilders and shipowners. It is clear, however, that they cannot but suffer by being exposed to subsidised foreign competition.

Shipping  
bounties and  
subsidies.

10,087, 10,105-8,  
10,123, 10,831,  
10,893-8, 11,206-9,  
11,918-22, 11,944,  
11,990, 12,047.  
10,123-5, 10,129-  
30, 10,146-51,  
10,178-82, 10,806-9  
10,821-2, 10,840,  
10,880-1, 10,887-8,  
10,900, 11,253,  
11,428-33.

But our shipowners have an additional ground of complaint in the fact that foreign vessels loading in our ports are not subjected to the load-line and other regulations of the Board of Trade, which, being enforced on British ships, impose additional expense and trouble upon their owners.

Owners of foreign ships thus not only obtain the bounties or subsidies above named, but also enjoy in our ports a latitude in regard to loading, and an exemption from other troublesome regulations, which give them an unfair advantage in competition.

We are of opinion that all foreign ships loading in British ports ought to be placed on exactly the same footing in these respects as British ships.

127. Our rapidly increasing dependence upon foreign supplies of fish will be seen from the following official returns.

Case of our  
fishermen.

Value of our imports of fish :

	£
In five years 1870-74	4,323,910
„ 1875-79	7,561,597
„ 1880-84	10,429,262

So large and rapidly increasing an import, whilst the fisheries on large sections of our own coasts are undeveloped, and the people suffering for want of employment, is a matter which we think demands attention.

Sir Thomas Brady, Inspector of Irish Fisheries, remarks, under date 27th September 1886, "there were over 8,000 tons of salted fish imported into Ireland last year ; treble the quantity might and ought to be exported."

128. We have already described (paras. 60, 62, 64, 76) the way in which the high protective duties levied by foreign nations, whose industries are almost, or quite, on a par with our own as regards cheapness of production, constitute in effect a bounty upon their exports of the protected articles.

High protec-  
tive duties  
create in  
practice a  
bounty on  
exports.

So far as this affects their competition with our producers in neutral markets, we have, of course, no direct remedy in our hands. Of the possibility of applying an effectual, though indirect, remedy we shall have hereafter to speak.

129. But as regards their practically subsidised competition in our home market, which is doing so much to destroy the fair profits of producers and to diminish the employment of labour, we have at command an effectual remedy. The imposition of duties equal to 10 or 15 per cent. *ad valorem*, upon all manufactures imported from foreign countries, would, we believe, sufficiently countervail both the bounty-creating effect of their protective tariffs and the unenviable economy of production obtained through longer hours of labour and less effective inspection and regulation of its conditions. For our aim ought not to be to countervail any natural and legitimate advantage which foreign manufacturers may possess, but simply to prevent our own industries being placed at an artificial disadvantage by the interference of either home or foreign legislation ; and to replace them, as nearly as may be, in the position in which they would have found themselves but for such interference.

Necessity of  
import  
duties on  
foreign  
manufac-  
tures.  
14,335-6.



972-5,  
3527-35,  
7423,  
7505-6,  
9647-8,  
14,274-8,

130. Such duties would, undoubtedly, to a considerable extent keep foreign manufactures out of our home market, and thereby give increased employment to our home industries. But in this country so insufficient is the present employment of the available labour and agencies of production, and so great is the pressure of capital seeking investment and labour seeking employ, that in our opinion neither prices, profits, nor wages could possibly be raised by the operation of such duties above the lowest remunerative level.

4679-80,  
7658, 9728,  
9929.

Their effect  
not to raise  
prices, but  
to increase  
employment.

131. It by no means follows, however, that great advantage would not accrue to the producer and to those employed by him. On the contrary, the fuller and more regular out-put—upon a given basis of investments and fixed expenses—secured by the exclusion of that surplus production of protected foreign industries which periodically floods this, the only duty-free market, would reduce the cost of our manufactures in the most healthful manner, by the distribution of fixed charges over a larger annual production. Our producers would thus be strengthened for competition in neutral markets, not by a reduction of the wages and comforts of their workpeople—which must inevitably further depress the home trade—but by the sound economical method of full and steady production, which is beneficial alike to employers and employed.

7504, 7528,  
7531,  
14,627,  
14,651.

132. For it must be remembered that the adoption of the system of protection by all foreign countries has not merely left our producers, alone amongst all others, destitute of an artificial stimulus; that they might well have endured without complaint. But it has at last brought upon them an unnatural, and practically subsidised competition. From this they have none the less right to be defended, because, in the presence of general or even partially prevailing free trade, they would be the last to desire protection of any kind.

The complete change  
of circumstances demands a  
modification  
of our fiscal  
policy.

14,657-9.

133. The measures we have indicated would counterwork the effects of protection, and strengthen the position of our producers, directly in the home market, and indirectly, though substantially, in neutral markets. It is, of course, out of our power to obtain more free access to the protected markets of countries like the United States, France, and Germany themselves. In past years we had little occasion to regret this, or to trouble ourselves about it. Their course of action did not harm us so long as we were able, in spite of it, to obtain full employment for all our available labour. To buy everything in the cheapest market—though not permitted to sell in the dearest—may be the best policy, so long as we can find other full and equally remunerative employment for the home enterprise and industry which we displace in so doing. But no longer; for, from the moment in which the combined effect of protective tariffs abroad and foreign competition at home limits our market so as to cramp the free and full exercise of our industries, it begins to choke the living fountain of our wealth, our social well-being, and our national strength. We think the evidence is conclusive that during the past ten or twelve years this point has been reached, and that the adoption of a national policy suited to the changed conditions is imperatively demanded.

134. For though we may be unable to alter the protectionist policy of other nations, we can do much to free ourselves from its injurious effects. The more we can draw our supplies of imported food from countries which will largely, and under moderate tariff rates, accept the products of our industries in exchange, the fuller and the steadier will be the employment of our population.

135. Our command of the fiscal arrangements of India has saved the industry of Lancashire from the calamity which must have overwhelmed it, had that great empire come under the control of a commercial policy like that of Russia or the United States. And the growth of our Colonies, with their very large consumption per head of British manufactures, has helped all our industries to endure with less suffering the stifling pressure of foreign tariffs.

3448-51.

136. But these aids, though welcome, are insufficient. It is a striking fact that during the past 20 years 67 per cent. of our emigrants have gone to the United States, and only 27½ per cent. to our own Colonies. The more extreme protectionist policy of the United States, so far from repelling immigrants, has operated as an effectual bribe to both capital and labour, by holding out the inducement of higher prices and higher wages.

A system of  
high duties  
for protective  
purposes  
would only  
further injure  
us.

9753-6.

137. It would be an act of suicidal folly on our part to attempt to counterwork these influences by a like system of enormous import duties, designed to raise the price of commodities for the advantage of home producers. We have a far better and more effectual remedy at command. A slightly preferential treatment of the food products of India and the Colonies over those of foreign nations would, if adopted as a permanent system, gradually but certainly direct the flow of food-growing capital and

labour more towards our own dependencies and less towards the United States than heretofore.

Our policy should be to direct emigration and investment more towards our own colonies. 7164, 7549-51, 10,851.

138. When it is noted that in the year 1884 the Australian colonies, with only 3,100,000 inhabitants, purchased 23,895,858*l.* worth of our manufactures, whilst the United States, with about 55,000,000 inhabitants, purchased only 24,424,636*l.* worth, it will be apparent how great would be the effect of a policy which should lead to the more rapid peopling of the Australian colonies in giving fuller employment to our working classes at home, and thus increasing the healthful activity of the home trade, as well as the import of raw materials for our various industries to operate upon. On the other hand, it must be pointed out that the growth of our Colonies in population, wealth, and the other requisites of successful manufacturing enterprise, and the necessity felt by them of counterbidding to some extent the bribe which the high tariff of the United States offers to capital and labour, must operate to convert gradually the revenue duties of the Colonies, which now permit so large an import of British manufactures, into protective duties which will seriously restrict that import.

This has already happened in the case of the Dominion of Canada, and it is an influence which may act with increasing and disastrous force upon the most valuable portion of our export trade, unless a fiscal policy be adopted which will enable the various portions of the Empire to co-operate more effectually for mutual aid and defence in commercial matters.

139. We believe that specific duties, equal to about 10 per cent. on a low range of values, imposed upon the import from foreign countries of those articles of food which India and the Colonies are well able to produce, would sufficiently effect this purpose. Their adoption would, of course, involve the abolition of the heavy duties on tea, coffee, cocoa, and dried fruits, which are now levied on Indian and colonial, equally with foreign produce. It would widen the basis of our revenue, and render us less dependent upon the sustained productiveness of the income tax and the duties upon intoxicating liquors. And, what is even more important, it could not fail to draw closer all portions of the empire in the bond of mutual interests, and thus pave the way towards a more effective union for great common objects.

A slightly preferential treatment of their food products our most powerful instrument for this purpose, and would pave the way towards closer union.

140. Here, again, as explained in para. 129, in regard to import duties on manufactures, we ought only to aim at countervailing legislative interference with natural conditions.

Its effects. 9596, 9599, 9740-7, 9748-52.

The fiscal legislation of foreign countries has (1) narrowed our markets artificially and unendurably; and has (2) deflected the movement of capital and emigration from our own Colonies, where they would have contributed largely to the employment of our industries, towards the United States, where they are artificially prevented by high tariffs from so doing. The measure proposed in para. 139 is, we are convinced, the only instrument at our disposal for neutralising this interference, and is so strictly limited as to prevent its general and permanent effect reaching beyond the fulfilment of that legitimate purpose.

For there would be no exclusion of foreign food products; they would come in on payment of the duty named; and we are convinced that if any effect were produced upon the prices of the articles in question it would be very slight indeed, and limited in duration to the time required, under the stimulus of preferential treatment, to increase the production of them in India and the Colonies; for so vast and varied are the resources of the empire, that competition within its limits would inevitably keep down prices at the lowest remunerative level just as effectually as in the outer world.

141. As already stated (paras. 57, 58) the circumstances of the world have rapidly changed, and the fear is no longer of the want of a sufficiency of commodities at low money prices, but of a sufficiency of employment. We are indeed convinced that, were it possible that the adoption of such a policy as we have just indicated should raise the price of the articles in question by the whole amount of the duty, the increased employment afforded by the larger demand for commodities, arising from the improved position of the producers at home and in our dependencies, would far more than repay our labouring population for the slightly increased cost of their food. And this view is corroborated by the fact that during the past 15 years the periods of greatest industrial prosperity have not been those in which agriculturists were impoverished by low prices, but those in which they realised fair rates for their produce, and were able to contribute largely to the demand for the productions of all other industries.

142. If any existing commercial treaties or conventions contain provisions which would impede the complete adoption of such fiscal measures as have been here

suggested, we are of opinion that the earliest opportunities ought to be taken of recovering our freedom in this respect.

The relief  
to our own  
agriculture,  
though  
inadequate,

143. We fear that neither these nor any other measures which could be proposed would effectually relieve the very serious depression of agriculture, the position of which is, under existing circumstances, inherently weaker than that of other leading industries. Under universal free trade our great manufactures of metals and textiles would at once, in the face of all rivalry, expand to the utmost limits of the available labour, whilst our agriculture would still have to meet foreign competition based on superior natural advantages. Again, under a system of free trade within the empire and moderate duties on the import of foreign food and manufactures, our manufacturers would have little to fear from Indian or colonial competition, which to our agriculturists would be real and formidable.

would be of  
great value.  
8755, 9062,  
9084.

To some slight extent, however, the proposed duties on foreign food products might operate to check the rapid decline of arable cultivation, and the consequent diminution of agricultural employment, whilst the increased activity of other industries would operate still more beneficially by augmenting the preferential demand for home-grown articles of food.

Decline of  
agriculture  
constitutes  
a grave  
national  
danger.  
9671-2.

144. We cannot pass from this subject without expressing our conviction that the continuous decline of agricultural production and employment, considered in regard to its present and future effect on the physical health and moral and social condition of the people, and on the wealth and strength of the nation, constitutes a danger so grave as to demand the anxious consideration of the country and the legislature.

Conclusion.

145. In conclusion, we desire to express our sense of the ready assistance which we have received in the course of our inquiry from the several bodies and individual witnesses whom we have consulted ; and we would also commend to the careful attention of all classes of Your Majesty's subjects the valuable and complete collection of information as to the economical condition and prospects of the country which will be found in the appendices to our several Reports, and a list of which is annexed to this document. We think that, while the information which we have been able to collect will tend to diffuse clearer views on the subject of our commercial position, it will also show that it can only be strengthened by using all the means at our command to restore to our industries that position of equal advantage, in relation to foreign competitors, which the fiscal legislation of other countries has done so much to destroy. It is only by the persistent exercise, on the part of the nation as well as of individuals, of the same energy, courage, watchfulness, and readiness of resource by which our great industries and world-wide commerce were originally built up, that we can ensure their continued prosperity and growth, and look forward with well-grounded confidence to the full and profitable employment of our population.

If our labours should tend in any degree to the promotion of this result, we venture to think that they will not have been entirely thrown away.

146. We very cordially concur in the acknowledgment of the valuable services of our Secretary, Mr. G. H. Murray, and our Assistant Secretary, Mr. T. H. Elliott.

All which we humbly submit for Your Majesty's most gracious consideration.

\*DUNRAVEN.  
W. FARRER ECROYD.  
P. ALBERT MUNTZ.  
NEVILLE LUBBOCK.

22 December 1886.

---

\* Subject to the reservations and remarks which follow.

(1.) In signing the above report I desire to make the following observations and reservations.

In accepting the majority report up to paragraph 26 inclusive, I would remark that the statement of Sir Lowthian Bell, that in the neutral markets of the world we are able to hold our own against foreign competition, is directly opposed to much of the detailed evidence laid before us, and especially to the actual tenders referred to in the report on Egyptian trade prepared by Mr. F. Elliot. (Second Report, Appendix, Part II.)

(2.) To the review of evidence I beg to add the following analysis of the replies received to the questions alluded to in paragraph 3 of the report.

We received answers from 59 Chambers of Commerce, and from 26 other commercial associations. Of these 85 replies, 75 give more or less detailed information of the character sought to be obtained.

Of the possible causes of depression suggested in the question set out in paragraph 6, it will be seen that all find more or less support among the answers in the following proportions :—

Question 14.	Chambers of Commerce.	Trade Associations.	Question 14.	Chambers of Commerce.	Trade Associations.	Question 14.	Chambers of Commerce.	Trade Associations.
* a.	3	1	f.	11	4	m.	11	7
b.	25	13	g.	25	12	n.	8	3
c.	5	2	h.	33	14	o.	6	1
d.	15	7	k.	39	18			
e.	3	1	l.	6	4			

\* The letters in the answers have been slightly altered from those in the index in order to make them correspond with letters in the questions.

I further desire to call attention to the important information obtained in answer to our second series of questions addressed to a large number of trades unions and similar associations representing the interests of workmen.

We received answers from 57 associations, many of whom returned separate replies from their numerous branches in all parts of the United Kingdom, all fairly concurring in representing that from a workman's point of view a widespread depression of trade is at present most seriously affecting their interests, mainly in the increasing difficulty of obtaining employment or in the prevalence of short time, but partly also in an actual reduction of the rate of wages.

(3.) In reference to the displacement of labour consequent upon the depression of agriculture and the action of foreign competition, and to the tables extracted from a paper read before the Statistical Society on the 18th May 1886 by Mr. Charles Booth, and quoted in the above report in proof of the contention that the labour so displaced has not been absorbed by the textile industries, I wish to add the following tables taken from the same paper, and showing further that but little absorption can have taken place into the iron and steel, or the coal, or the shipping trades.

PER-CENTAGE of the whole POPULATION employed in METAL-WORKING in the Years—

—	1851.	1861.	1871.	1881.	Increase.	Decrease.
England and Waies -	3·5	4·0	4·1	4·1	·6	—
Scotland - -	3·0	3·4	4·7	4·4	1·4	—
Ireland - - -	1·0	1·0	1·0	1·0	—	—

## PER-CENTAGE of the whole POPULATION employed in MINING in the Years—

—	1851.	1861.	1871.	1881.	Increase.	Decrease.
England and Wales -	4·0	4·5	4·5	4·8	·8	—
Scotland - - -	4·0	4·5	5·1	5·0	1·0	—
Ireland - - -	0·4	0·4	0·3	0·4	—	—

## PER-CENTAGE of the whole POPULATION employed in SHIPBUILDING in the Years—

—	1851.	1861.	1871.	1881.	Increase.	Decrease.
England and Wales -	0·3	0·4	0·4	0·5	0·2	—
Scotland - - -	0·4	0·7	1·0	1·1	0·7	—
Ireland - - -	0·1	0·1	0·1	0·1	—	—

(4.) In the statement in paragraph 42 that imports of the articles mentioned therein can only be advantageous on the condition that all the labour which could have produced them at home is fully employed in some equally profitable work I cannot fully concur, though undoubtedly any increase in the imports from foreign countries of articles which can be grown or produced at home must be balanced against labour displaced and capital rendered unprofitable in our own industries in consequence of such increase.

(5.) I dissent from those portions of the report which appear to me to point to the influence of improved machinery as contracting the demand for labour, and to advocate legislation to check such effect, or which infer that it is the duty of the State to find employment for a rapidly increasing population, being of opinion that if employment fails through natural causes any apparent remedy must tend eventually to aggravate the evil.

(6.) I object to protection, by which I understand the imposition of import duties for the purpose of assisting native industries against similar foreign industries with which they are in fair and natural competition, and to retaliation as remedies for the evils inflicted by foreign tariffs; and, although the above-mentioned theories are nowhere specifically put forward, and, presumably, are not intended to be advocated, it appears to me, as I think it may to others, that they are clearly indicated in, or may be inferred from, certain portions of the report, especially from passages in paragraphs 72, 73, 74, 75, 82, 124, and 144.

(7.) I am strongly of opinion that it is absolutely necessary to check or neutralise the subsidising effects of preferential railway rates on foreign produce, of bounties, and of the protective tariffs of foreign countries, in order to obtain fair competition for our industries; and with all the arguments and recommendations on these points I entirely agree.

(8.) While unable to approve entirely of paragraph 138, I consider that a trading union with the colonies securing preferential treatment for British and Colonial manufactures and food products, without interfering with perfect freedom as to the internal fiscal arrangements of the colonies or the United Kingdom is, for the reasons mentioned in the report, most desirable. But we should, I think, be going beyond our powers in making any distinct recommendation on a matter affecting the policy of self-governing colonies.

DUNRAVEN.

We agree in the contention, in paragraphs 139-142 of the Report of the minority of the Commission, that it is desirable to contend by every practicable means against the difficulties thrown in the way of profitable production in this country by foreign bounties and tariffs; and we concur in the general tenor of Mr. Jamieson's remarks on this head in the 12th paragraph of his observations.

HENRY H. GIBBS.  
G. SCLATER BOOTH.

I find myself unable to sign either of the above reports.

In the first place, I cannot concur in the opinion set forth, rather by implication than in express terms, in paragraphs 1 to 47, that the evidence received was suitable and sufficient for the elucidation of the matter referred to us. Copious and valuable as that evidence in many respects was, yet in view of the nature and scope of the subject it appears to me to have been too fragmentary and restricted and quite inadequate to the full and satisfactory consideration of it. Thus upon so important a class of industries as those connected with the building trade there was no evidence taken; the fishing industry was not dealt with at all; and although a number of witnesses concurred in grievous complaints against the railway companies, we had not the advantage of learning from the railway interest their side of the question. Again, the evidence was, except in the case of some official witnesses, of a special and individual character, referring exclusively to particular industries, and sometimes little more than personal experience, of rather a narrow description. The official witnesses, indeed, dealing as they did with general statistics, covered a wider field than the others; but only one or two of them touched upon or suggested general causes of the state of things which their figures disclosed.

In the second place, I concur in the opinion respecting the first of the above Reports, which is expressed in the second of them, viz., that the extent and severity of the depression in trade and industry, and the consequent want of employment are not adequately recognised and set forth in it while neither of them appears to contain a sufficient exposition of the gravity and permanent character of the causes which are now operating to prevent the growth of the chief industries of the kingdom from keeping pace with that of the population.

In the third place, it seems to me that in both of the Reports an undue importance is attributed to causes of a minor, transient, or doubtful character; while causes general, direct, and obvious are passed over altogether or referred to as of secondary importance.

1. Taking the evidence, oral and written, as a whole, it would appear established—

- (a) that in the trade, and still more in the productive industries of the United Kingdom, there has existed for some time, and still exists, what may fairly be described as depression;
- (b) that by this depression is meant a reduction, and, in some cases, an extinction of the profit of the capitalist or manufacturer or other organiser of labour, and a corresponding and consequent diminution of employment for the wage-earning classes;
- (c) that meanwhile the amount of capital invested in trade and industry has been maintained, and the volume of trade greatly increased; with this qualification, that the increasing tendency of foreign nations to effect their interchanges direct has caused a falling off in the entrepôt trade of this country.

2. The increase in the volume of business in the leading industries is abundantly proved by the official figures submitted by the Assistant Secretary of the Board of Trade. From these it appears that the average annual output of coal increased from 103,000,000 tons in 1865-69 to 156,000,000 tons in 1880-84; the average annual production of pig-iron from 4,900,000 tons to 8,100,000 tons in the same period; the raw cotton consumed has increased from 8,000,000 cwt. per annum in 1865-69 to 13,200,000 cwt. per annum in 1880-84; while the amount received by railways for goods traffic has risen from 21,000,000*l.* annually in the former to 37,000,000*l.* annually in the latter period.

3. But side by side with this increased production we are confronted with the fact that the sense of depression is greatest amongst the classes most directly concerned in production. The producers of coal and of iron, and the agriculturists as well as the manufacturers, complain that profits are reduced, that they are rapidly approaching the vanishing point, or that they have altogether disappeared. On the other hand, whilst the amount of labour employed in agriculture has greatly diminished during the years from 1874 to 1885, the number of persons employed in textile industries



has not kept pace with the increase in population. The more extended use of machinery and other labour-saving appliances, which causes a displacement of labour and consequent distress among certain sections of the working classes, has not been remedied by a continuous expansion of agricultural and manufacturing industry. In the coal trade men have been working, on an average, four days a week; and ship-building artisans have been employed in shifts during alternate weeks for wages so low that one witness said any further fall would make it better worth a man's while to be an unskilled labourer. In some districts considerable numbers of artisans and labourers are entirely unemployed, whilst a much larger number have only partial and intermittent work. As a consequence, not only have the actual earnings in the shape of wages been greatly diminished, but in some cases there has also been during the last two years a reduction in the rate of wages. The decrease in the number of marriages in proportion to population during the last year, as shown by the returns of the Registrar General, and the increased ease with which recruits for the army have been obtained, are indicative of the distress which, aggravated as it was by the exceptional severity of last winter, has continued to a great extent ever since. This insufficiency of employment is the most serious feature of the present depression.

4. It has, indeed, been sought to show by means of certain statistics that the existing state of things is one of satisfactory advance in respect both of profits and of employment; but the value of those statistics is too doubtful to admit of any safe deductions from them respecting the real condition of the industrial community.

- (1.) The increase in the income tax returns may, to a considerable extent, be ascribed to increased efficiency in the collection, and to the payment by many, traders as well as producers, of income tax in full of the demand where little or no income has been made. Again, the figures under Schedule B. are altogether misleading, the assessment being made upon no known principle, and apparently beyond defence even by the representatives of the Inland Revenue Department.
- (2.) The returns of poor law relief must be examined in the light of the growing stringency of administration and the enforcement of the workhouse test. This is easily recognisable in the increase of the numbers of indoor paupers, which is such that if anything like it were found in the outdoor lists the total numbers in receipt of relief would be far in excess of anything yet recorded.
- (3.) The increase in the deposits in the savings banks is quite compatible with an increase of distress among the working classes, and those deposits might have been less if the openings for remunerative employment of small amounts of capital were not so restricted.
- (4.) Finally, the bankruptcy returns show a great diminution in insolvency as officially recognised, but, after all, only such as might have been foreseen from the character of the Bankruptcy Act of 1883. A similar reduction was observed after the passing of the Act of 1869.

5. But allowing the utmost possible weight to these supposed indications of general improvement, the two great facts already mentioned still remain, viz., that the aggregate of commodities produced by the capital and labour of the United Kingdom continues to increase, and that at the same time the classes most directly concerned with the production of those commodities, whether as capitalists or workmen, are suffering from reduction of profit and diminution or cessation of employment. The output of industry is greater, the reward of industry is less. The amount of wealth created is on the increase; but the creators of that wealth obtain a smaller share of it. It is clear that of the proceeds of labour in these countries of late years a smaller proportion has fallen to the share of the producing classes than formerly; the reward of capital and management being less, and the employment of labour not so full and continuous.

Given such anomalous conditions, it can scarcely be matter of surprise that industry should languish, or that capital should be driven to seek investment and labour to seek employment abroad.

If, then, any cause can be found which will account for these conditions, the same cause may be taken to explain the depression which is their natural consequence. But for an explanation of an effect so wide-spread and sustained it is reasonable to look for some general and permanent cause operating always and upon the whole industrial community.

6. From this point of view it is impossible to feel satisfied with various reasons suggested by different witnesses to account for their present experiences, or to accept

as adequate the minor and transient influences which appear to some sufficient to explain the phenomena above pointed out.

- (a.) Among these minor and transient causes is one which arises from a change in the method of distribution of commodities, owing to the more direct and rapid communication between producers and consumers. The electric telegraph and the increased rapidity of transport have tended to eliminate certain classes of middlemen; and the stock once held by these persons becoming immediately available caused in some instances a temporary pressure upon the market. The effect of this, however, cannot have been considerable, and did not admit of repetition.
- (b.) Second in order among the suggested explanations is what is called "over production." It is not always easy to ascertain precisely the meaning attached to the term; but, assuming it to signify "production of commodities in excess of the amount of the income or earnings available for their purchase in the home market or of the demand for their export at remunerative prices," it must be recognised as, to some extent, a true element in the depression. The war of 1870-71, which in a great measure paralyzed the productive industry of France and Germany, correspondingly stimulated that of this country by reason of the favourable opportunity afforded to British enterprise. Besides the incentive thus supplied, machinery was being made more perfect, new processes were lessening somewhat the cost of production, and the power of production and transport steadily increased. But the extra foreign demand which arose during the war and continued for some time after it gradually but rapidly fell off, while the purchasing power of the home market was lessened by the diminution of the income of the agricultural classes throughout the kingdom, to which reference will be made hereafter. The effect of this was to bring about for a time a disproportion between production and demand, a disproportion which in some lines may, perhaps, still be more or less felt. But this explanation is insufficient. A general over-production is an impossibility; and an over-production in any particular direction must, in the nature of things, as soon as recognised, tend to correct itself. The unsatisfactory character of this explanation is seen also in the fact that those who put it forward are driven to bring in aid of it another influence, to which, indeed, some ascribe over-production itself, viz., the protectionist policy of certain foreign countries, and the successful foreign competition thence resulting.
- (c.) Foreign competition and, as connected with it, foreign tariffs and bounties form the third cause to which the existing depression is in part attributed. But those who object to the increasing introduction of foreign productions as displacing home labour, appear to forget that the foreigners who send goods over here do not furnish them for gratuitous distribution, but only in consideration of other commodities which are either directly or indirectly the produce of home industry.

That protective tariffs check imports is true. That is the object with which they are imposed; and, so far, they are a barrier in the way of commercial intercourse, and, like every other impediment of the kind, may be recognised as aggravating depression of trade. If there were similar barriers on this side also the impediment to commerce would be doubled; foreign goods now imported in exchange for home productions would be kept out, and exports also would in consequence be checked. There are those who say that protective duties here would benefit trade and industry; but their speculations are more curious than convincing.

Moreover, the effect of these foreign tariffs and bounties has been very much exaggerated. Mr. J. A. Crowe, Commercial Attaché to the British Embassies and Legations in Europe, a gentleman of conspicuous ability and the widest information, testified that while the French shipping bounties had benefited the owners of ships it had not greatly increased French shipping, or enabled it to cut out the ships of other countries; that it had not increased French shipbuilding at all, nor transferred any of the iron shipbuilding from this country to France; and that, in his opinion, the money had been simply wasted. Again, the evidence showed that the heavy duty imposed upon cotton yarns imported into Germany is a serious burden to the German manufacture of cotton velvet, so that whatever the spinners gain the weavers lose; and that so far from benefiting Germany the protective duty is actually

injurious to German industry. It may be fairly said to result from the evidence that every one of these protective duties saddles the community imposing it with unnecessary expenditure for the benefit of a particular interest. The effect of the continental sugar duties and bounties is to burden the continental communities for the benefit of the foreign manufacture, and to furnish the consumers in these countries with sugar cheaper than the British manufacturer can supply.

7. (a.) But all the above-mentioned minor causes of depression affect only particular interests; there is another of a different and more general character which affects them all, viz., the fall in prices as measured in terms of gold.

The following figures will illustrate this in the lower rate of increase in value as compared with the increase in quantities of both imports and exports.

Comparing the period of 1865-69 with that of 1880-84, there was among the imports—

(1) of *raw cotton* an increase in quantity of 39 per cent., whilst the *value decreased* by 27·5 per cent.

(2) of *wool* an increase of quantity of 104 per cent., but in value of only 67 per cent.

(3) of *wheat* an increase in quantity of 93 per cent., but in value of only 65 per cent. and among exports—

(4) of *cotton yarns* an increase in quantity of 65 per cent., but in value of only 3·5 per cent.

(5) of *cotton pieces. (plain)* an increase in quantity of 76 per cent., but in value of only 9 per cent.

(6) of *pig iron* an increase in quantity of 163 per cent., in value of 153 per cent.

The above are taken by way of illustration; but the same thing appears from the evidence of Sir J. Caird, who showed that whilst the fall in prices of all kinds of food down to 1885 was 25 per cent., the fall in iron, copper, lead, and coals was 35 per cent., in textiles (cotton, flax, hemp, wool, and silk) it was also 35 per cent., and in sundry materials, such as hides, leather, indigo, &c., it was 26 per cent. The meaning of all this is that the purchasing power of gold has for certain reasons materially advanced of late years. Into those reasons it is not necessary, and it would not be proper, to enter here, as the whole question of the currency has been referred to another body of Royal Commissioners selected on account of their special qualifications to deal with the matter. But it may be pointed out that one of the effects of the appreciation of the metal which is the medium of exchange and of legal payments is that those who enjoy fixed incomes payable in that metal, so far from having any ground of complaint, on the contrary profit by the correlative cheapness of other commodities.

(b.) Another, and from the commercial standpoint a much more important, effect is the appearance of a falling market, which naturally tends to check speculation and imposes caution upon producers. So far, doubtless, and while the fall in prices is clearly continuing, there is here recognisable another true cause of industrial and commercial depression. But the effect of this, again, may easily be over-estimated, for in reality the alteration in the purchasing power of the legal tender metal is the same all round to those who use it only as a medium of exchange. Much of the disquietude which unquestionably prevails in commercial circles with regard to the fall in prices is due to the fact that most persons, including some professed economists, regard a sovereign not merely as a measure of gold, but also as a standard of value, and do not see that gold itself, though a convenient medium of exchange, is not any more than any other commodity an absolute standard of value.

8. Regarding, therefore, the matters above mentioned as only minor, transient, or doubtful causes of the admitted depression, it remains to inquire whether the evidence submitted to us divulged any other cause, general, direct, and permanent, and of such a nature as to account sufficiently for the ascertained state of things. I am of opinion that such a cause is to be found manifesting itself more or less throughout the evidence, that its effects may be traced through the whole industrial system, but that its operation is more clearly recognisable where it is strongest, and that it is strongest where it is most direct. It is more direct in the industries of production than in the industries of distribution, and among the industries of production it is more obvious in those which are primary or fundamental than in those which are less so.

(a.) And first of agriculture. This primary industry, the most important in the kingdom, not only on account of its nature but by reason also of the numbers engaged in it and dependent upon it for subsistence, has reached a state approaching something like collapse. The loss in the value of crops alone is estimated by Sir J. Caird at

nearly 10,000,000*l.* a year for the last 10 years. The per-centage of the population employed in agriculture has diminished during the last 30 years by more than 7 per cent. in Ireland, more than 8 per cent. in Scotland, and more than 9 per cent. in England. With the decrease of the labour employed upon the land there would appear to be also a diminution in the productive capacity of the land itself. The quantity of agricultural produce raised has decreased during the last 10 years, and with it the purchasing power of the agricultural classes. This contraction in the quantity and exchangeable value of the products which the agricultural classes have to offer for the commodities they require to purchase is certainly to be ascribed in part to bad seasons through a number of years; but a more potent element of disturbance is to be found in the competition of the produce of other soils, *which can be cultivated under more favourable conditions than those which affect our own.*

It was stated to us by a competent witness that, speaking generally, there is scarcely a farmer in this country who, by reason of the reduction in the value of animals and stock in general is not, taking his capital into account, 40 per cent. poorer than he was 12 years ago. At present, as we were told, the tenants are not making anything, but are losing. The capital of the farmer is gradually going from him, his stock, cattle, and horses diminishing, and the cultivation of the land deteriorating. A Northumberland witness states that where tenants under a lease have been compelled to pay the full rent during the last eight or nine years they are in the way of being ruined. It appears established that, speaking generally, the tenant has for the last few years been paying a portion at least of the rent out of capital, and during the last year from 15 to 20 per cent. In some parts of the country the rents of the last two years have been paid entirely out of capital. Another witness declared that if the present system continues, and farmers pay rent for another three or four years out of capital, their capital will be gone altogether.

It thus plainly appears that the charge which is levied upon agricultural industry in Great Britain is so heavy that farming cannot any longer be carried on at a profit, and the capital of the farmer is being eaten up in rent.

But in Ireland the state of things is even worse; for in that country where agriculture is the only great industry, the whole community being in fact dependent upon it, the depression of agriculture is specially severe. And as the majority of the small farmers in Ireland cannot be said to farm for profit, but only for bare subsistence, the depression is far more keenly felt among that class than in the corresponding class in Great Britain. It is natural, too, that the effects of agricultural depression should be more disastrous there than in this country, because the rents in Ireland are higher than here, that is, they represent a larger proportion of the produce of the farms.

On the subject of the agricultural depression in Ireland, the evidence of Mr. Murrough O'Brien is singularly authoritative and valuable. That gentleman pointed out, among other things, that the tenure of land in Ireland being, even under the Act of 1881, only for 15 years, is not such as to induce a reasonable man to embark capital in improvements; that the present tenure induces bad cultivation; and that an improved tenure might be expected to secure improved cultivation and a larger investment of capital for the purpose. Moreover, in Ireland, owing to the emigration of a large portion of the able-bodied labouring population, the quality of the labour available for agriculture has deteriorated; and at the same time capital has been drained out of the country, not only by the undue pressure of Imperial taxation, but also by means of rents paid to absentees and of mortgages held in England.

It thus appears that in both portions of the United Kingdom so heavy a burden is placed upon the agricultural industry in the shape of the charge for the use of land that the profits of industry are rapidly disappearing and the capital of the farmers is being absorbed in rent.

(b.) The second of the great industries of production in which the general cause of depression above referred to is most noticeable as being direct in its operation is that of mining. Here from the same cause we find a similar effect. As the rents of farms in agricultural districts have absorbed the profits of industry, so in the mining districts the dead rents, the way-leave rents, royalties, and similar charges payable to the land-owners place upon industry an undue and increasing burden.

The evidence from Durham showed that with a reduced output there is a lower price obtained for coal, and that while the workmen obtain lower wages, and the employer little or no profit, the burden of royalties is greater. The royalty in that country, being recoverable at so much a ton, irrespective of price, bears a higher proportion to the selling price now that coal is cheap than it did when prices were higher. Again,

the dead rents which merge in the royalties operate in such a manner as practically to compel a lessee who has sunk a large capital in meeting such charges to continue his unfortunate undertaking. Upon this and a number of other points I crave leave to refer to the draft of observations on the evidence which is printed in the Appendix to this Report (page 91).

The higher charges of the nature here referred to which are in force in this country enable foreign competitors to take orders which would otherwise come here.

In the iron industry similar symptoms are traceable to the same cause. The iron used on the east coast being produced from ore obtained from Spain, where the royalty is only 8*d.* on the ton of ore, costs in royalty only 1*s.* 4*d.* the ton of pig—taking two tons of ore for one ton of pig—against a charge of 5*s.* 1*d.* on the ton of pig produced on the west coast where the British ore is under a royalty of about half-a-crown a ton. It was given in evidence that in the Barrow district the royalties have increased in spite of the decrease in the price of iron.

It was further shown that out of 32*s.*, the price (in January last) of a ton of pig iron in the Cleveland district, after payment of 7*s.* to the railway companies for conveyance of minerals, 20*s.* for labour, and 2*s.* for stores, local taxation, &c., the whole of the 3*s.* remaining went to the landowner as royalty.

In respect of iron, as in respect of coal, the British producer is shown to be handicapped to the extent of the difference between the foreign and home royalties; and it can therefore scarcely be a matter of marvel that there should be a relative decline in the industry as compared with that of other countries, and especially of the United States and Germany.

(c.) Coming now to the third great division of the industries of production, viz., those carried on in great industrial and manufacturing centres, we find the same symptoms and the operation of the same cause. And with regard to manufactures, one aspect of the foreign trade returns is deserving of close attention. They show not only that between the periods of 1865–69 and 1880–84 the increase of exports was not so great as that of imports, but also—and this is more important—that the imports of manufactured goods have increased by more than 100 per cent., whilst the imports of raw material for manufacture here have increased only 8 or 9 per cent. It is true that a greater fall has taken place in the prices of raw material than in the prices of manufactured articles, a fact which may in some degree account for the phenomenon; but it is equally beyond question that there is a marked tendency in the imports towards a more fully manufactured article, and in the exports, a tendency towards a less manufactured article.

What are the circumstances under which manufacturing industry is carried on in this country in respect of the use of land? With the falling in of leases, so much higher a ground rent is charged, that even with an increase of business there is less profit. Not only in London does the amount paid for the occupation of ground bear a higher proportion to the profits of trade than it formerly did, but in Birmingham too, where trade prices have been lowered, profit reduced, and wages are less, and where there are large numbers of persons vainly seeking employment, the price which has to be paid for the use of land has increased. The evidence on this point from Sheffield, again, was of the clearest; and it was shown that in Jarrow, which the shipbuilding industry may be said to have created, the landowners draw from the earnings of the industrial classes an immense income in consideration of the occupation of ground, the improvement in the value of which is in no way attributable to them. And so of other places. With regard to these charges, also, I desire to refer for further detail to the draft of observations which appears in the Appendix.

As in the agricultural and mining districts, so in the industrial and manufacturing centres, the amounts which have to be paid for the use of land constitute a burden upon industry which is constantly becoming heavier both absolutely and relatively.

9. It must further be borne in mind that all these charges whether levied under the name of rent, or of ground rent, or of royalty, are measured in terms of gold and payable in that metal. The appreciation of gold aggravates the burden of them; for the farmer has to give more quarters of wheat, the Sheffield manufacturer more of his files, the miner more tons of coal or iron in discharge of his obligation to the owner of the soil than were in the contemplation of either lessor or lessee at the date of the lease.

10. It thus appears that over the entire country there is a cause at work, general, permanent, and far-reaching, affecting every branch of industry, in mine, and farm, and factory, the effects of which are traceable in the languishing condition of the agricultural, and the mining, and the manufacturing interests. That cause is the fact that under the existing land system the owners of the soil are able to obtain, and do

exact, so large a proportion of the proceeds of the industry of the United Kingdom that the remainder is insufficient to secure adequate remuneration to the industrial classes, either in the shape of wages to operatives, or reasonable profit to the organizers of labour, the employers, or capitalists.

During the course of the inquiry a number of suggestions upon minor matters were submitted by different witnesses; but with regard to most of them the evidence was too indefinite to furnish ground for any specific recommendations. It can, however, scarcely be doubted that the operation of the Limited Liability Acts has tended to create a class of "promoters" whose interest lies rather in the creation of an industrial undertaking than in its permanent soundness, and that the evils thence resulting justify the recommendation of legislative provisions of a more stringent character than those now in force for regulating the appointment of directors, the subscription of nominal, and the raising of loan capital, the furnishing and auditing of accounts, and the winding up of insolvent companies in bankruptcy rather than in Chancery.

All which I humbly submit for Your Majesty's most gracious consideration.

ARTHUR O'CONNOR.

22 December 1886.



**LIST OF WITNESSES.**

---

**Mr. JOHN EVANS, F.R.S.**

„ **G. CHATER, Jun.**

„ **F. P. BARLOW.**

„ **R. KNIGHT.**

**Sir THOMAS FARRER, Bart.**

**For ANALYSIS OF EVIDENCE, see end of Volume.**

---

**MINUTES OF EVIDENCE**  
TAKEN BEFORE  
**THE ROYAL COMMISSION**  
ON  
**THE DEPRESSION OF TRADE AND INDUSTRY.**

At 8, Richmond Terrace, Whitehall.

**THIRTY-FIFTH DAY.**

Wednesday, 26th May 1886.

PRESENT :

THE RIGHT HON. THE EARL OF IDDESLEIGH, G.C.B., IN THE CHAIR.

RIGHT HON. G. SCLATER-BOOTH, M.P.  
MR. J. AIRD.  
MR. T. BIRTWISTLE.  
MR. L. L. COHEN, M.P.  
SIR J. P. CORY, M.P.  
MR. DAVID DALE.  
MR. C. J. DRUMMOND.  
MR. W. F. ECROYD.  
MR. H. H. GIBBS.

MR. W. H. HOULDSWORTH, M.P.  
MR. W. L. JACKSON, M.P.  
MR. G. A. JAMIESON.  
MR. N. LUBBOCK.  
MR. P. A. MUNTZ, M.P.  
MR. A. O'CONNOR, M.P.  
MR. R. H. INGLIS PALGRAVE, F.R.S.  
MR. W. PEARCE, M.P.

MR. G. H. MURRAY, *Secretary.*  
MR. T. H. ELLIOTT, *Assistant Secretary.*

Mr. JOHN EVANS, F.R.S., examined.

14,256. (*Chairman.*) I think you and the other gentlemen come here to represent the Paper Makers' Association?—Yes.

14,257. Perhaps you would just tell the Commission generally what is the business of that association?—The Paper Makers' Association has been in existence now for a considerable number of years, and its principal occupation has been taking up any matters of public importance with regard to which it was necessary that the trade should be brought in contact with Her Majesty's Government. That has been the main object of the association.

14,258. Was that association founded before the repeal of the paper duty?—There was a Paper Makers' Club founded before that time, but the Paper Makers' Association was founded subsequently.

14,259. Then you do not compare the state of things before the repeal of the duty with that which exists now?—No; that is not my object at all.

14,260. Will you mention what proportion of your great trade finds its market at home and in foreign countries respectively?—I am afraid that I am hardly in a position to give statistical details. I have not taken any very great interest in the trade now for some little time, but Mr. Chater will be better able to supply statistical facts than I am.

14,261. I presume you are acquainted generally with the answers that we were given to our questions in the paper signed by Mr. McCaul, the secretary of the association?—Yes, I am.

14,262. Are there any points in those answers to which you would like to draw the attention of the

Commission?—The principal point to which I should like to draw the attention of the Commission is this, that our system of free trade is gradually acting so as to increase protection abroad, and to render that protection not simply defensive to those foreign countries, but really to give them the power of aggression here. If the Commission would like me to express what my views are upon the subject, I should like to give some idea of what the condition of trade has been since the time when paper duties were repealed. At the time when the paper duties were repealed there were heavy export duties upon paper-making materials in, I may say, every foreign country without exception; and the result of those export duties was to maintain within the countries where they were levied the price of the paper-making material below what it was in this country; for the American purchasers had free access here, and if they purchased abroad they had to pay the export duty, and the consequence was that the price of rags abroad, with the export duties added, was practically the same as the price of rags here, where there were no export duties; so that if there was a duty of 7*l.* a ton upon rags in a given country, the rags within that country were 7*l.* a ton cheaper than they were here. That of course acted as a direct bounty on the export of paper, because the materials were artificially cheapened, so that the manufacturers in those protected countries were able to export their paper at a profit. Since that time, and in a great measure owing to the exertions of the Paper Makers' Association, the duties have been either diminished or abolished. In

Mr. J. Evans,  
F.R.S.

26 May 1886.

Mr. J. Evans,  
F.R.S.  
26 May 1886.

a very few cases they have been abolished, but they still exist to a considerable extent. In Austria, I think, at the present time the duty is equivalent to 4*l.* a ton upon rags.

14,263. As it takes from 1½ ton to 1½ ton of rags to produce a ton of paper, that is equivalent to a protective bounty of from 5*l.* to 6*l.* per ton, being something over ½*d.* per pound upon the paper; and, as a consequence, we have writing papers and fine papers brought in here from Austria at prices with which it is almost impossible to compete. But owing to the increase in chemical knowledge, and to the investigation of some of the English paper manufacturers, we have of late years been able to materially alter the character of the fibres from which paper is made. The use of esparto, a kind of grass grown largely in Northern Africa and Spain, has increased, in fact, I may say, has been introduced, and the use of wood has also come in, and, as a consequence, the materials for the manufacture of paper are far more abundant than they were at the time when the paper duties were repealed. In order to meet the foreign competition, the great question with the English manufacturers was how to cheapen their production; and, partly owing to the increased demand, owing to the abolition of the duty, and partly owing to the desire to reduce cost, most of the paper mills increased their power of production very largely; and, as a consequence, by increasing the production they were enabled to reduce their standing charges, and so reduce the general cost of the manufacture, which to some extent for a time enabled them to compete with foreign countries. But of late years foreign manufacturers have been going upon the same tack, and have largely increased their mills; and now I think that on the whole the production is in excess of the demand, and the great question that one has to consider is the way in which one can dispose of the surplus products, that is to say, the excess of our manufactures over what would be the ordinary demand in order to keep a mill cheaply employed. If we attempt to export our surplus products to any continental country, or to the United States of America, we are met with heavy duties; whereas the continental manufacturers have here a ready market for all their surplus products, and those surplus products are sold below the ordinary rate which is maintained within the protected countries; and one industry after another in this country is gradually being called upon to compete, not with articles made in the ordinary course of trade, but with the articles that are in excess, that is to say, with the articles of surplus production, which the manufacturers can afford to sell somewhat below the ordinary cost of their production, and yet realise a profit. It is in that manner, I think, that the system which has been adopted of admitting all foreign productions here duty-free, while our productions are carefully excluded from all foreign markets, has now begun to tell most deleteriously upon our English paper manufacture.

14,264. Is there a large import of foreign paper into this country?—A very large import. You will hear that there are special rates by railway in some foreign countries, which tell upon the paper exported to this country.

14,265. The production of paper all over the world has very largely increased of late years, has it not?—Enormously.

14,266. Do you consider that we have our fair share of that increase?—I think that in all probability our manufacture has increased more in proportion than that of any other country. May I add that there is another matter which has, I think, tended to injure the trade, namely, that at the time when the demand for paper had so largely increased and the manufacture was fairly profitable, a great number of limited liability companies were started, and the production was very greatly increased. Many of those companies failed, but their stock, their machinery, and their plant were taken over by fresh companies at something like one third in money cost of what the original cost was; so that the competition was carried on under very

unfavourable circumstances for those who had continued to pay the full price, or continued to value their machinery at the full original value.

14,267. Have any of those companies failed or been abandoned?—A large number. I am not prepared to say how many, but Mr. Chater, who knows more on the subject than I do, will be able to answer the question more specifically.

14,268. The first effect of the alteration to which you have drawn our attention, namely, the repeal of the duty on paper while the export duty was kept up upon rags, was to induce and in fact to compel our paper makers to look out for new materials and new substances?—Partly that, and partly to encourage them to increase their production in order still to reduce the cost of production. But I may point out that the immediate result of the repeal of the paper duty while those export duties still remained on rags was the extinction of most of the small mills throughout the country. You may go along many streams, and find mill after mill which has been ruined and has ceased to work. On the Chess, for instance, there are some three or four mills that have ceased working. I think that those country mills which in former times were growing to be so prosperous have as a rule found it impossible to carry on their business.

14,269. Was that in consequence of the direct competition of the foreigner, or was it in consequence of the competition of the larger manufacturers in this country?—I think it was probably a little of both. The competition of the foreigner compelled the larger manufacturers to increase their production, and then what may be termed lateral pressure was turned upon the smaller makers, and gradually squeezed them out.

14,270. That is to say, the demand for paper having become rather slack, the large manufacturer, who could invest a large capital and work with all the improvements of modern science, had an advantage over the smaller man?—Yes, as he naturally would.

14,271. Was there anything very different in that from what has taken place in other branches of industry, like cotton-spinning or weaving, or anything else, that used to be done in small establishments, and now is concentrated in large ones?—No, I do not think there was, but of late years the conditions have been altered. As I was pointing out we now are suffering from having to contend with the surplus manufactures produced abroad and sold here at unnaturally low prices.

14,272. There is, in fact, a great over-production of paper throughout the world?—I think there must be.

14,273. What is the remedy for that state of things to which you would look?—That is a very difficult question to answer. My own impression, speaking privately, not as chairman of the association because it is not a matter which has been by them discussed, is that the country requires what would practically be free trade, and that we adopted a wrong system for obtaining it; instead of obtaining free trade we have encouraged protection abroad by every means in our power, and it appears to me that that is the thing that we have to fear. How far we are able to retrace our steps is a matter for a wiser head than mine. But it does appear to me that if we could get to an understanding with a few countries on the Continent that we would give them free trade in exchange for free trade on their part with us, we might very fairly say to other countries, unless you give us the same privileges we shall put on corresponding duties to those which you put on our products, and not allow you under the name of protection to yourselves gradually to destroy our industries in Britain.

14,274. Do you believe that it would be for the advantage of our manufacturers that they should have a protective duty, or any duty at all, upon foreign paper?—I would not call it a protective duty. I should merely put it that there should be an equivalent duty upon the surplus products which are being brought here to that levied on paper in the exporting

country. Of course we shall be told that this is against the advantage of the consumer. I am quite willing to admit that it is so. But I also know,—and here again I am speaking individually,—that in a great many cases the consumer and the producer are one and the same, and that it is no advantage to a man to say, you shall have something in your right hand which I take away from your left.

14,275. We are often told that it would be an advantage to this country to put on duties in order to compel foreign countries to treat us with the liberality with which we would willingly treat them. That may or may not be a salutary policy, but what I want to know is, that, supposing that that failed, and that foreign countries were not in that way to be induced to give up their system, do you believe that the trade in this country would be benefited by the imposition of a duty on foreign articles, which duty should be maintained permanently?—So long as any protective duty abroad acts as a bounty on the exportation of goods that are sent to this country, I think that the trade here would be benefited by a corresponding duty being placed on foreign goods coming here, so as to neutralise the bounty, for to my mind it is impossible for any trade to compete permanently with articles which are brought into competition with it under a bounty system.

14,276. (*Mr. Slater-Booth.*) Supposing that an equivalent were charged upon foreign products to meet the bounty or the protective duty which foreign production enjoys, you would have it in the form of an import duty into this country, of course?—I would have it as an import duty into this country. I may venture to point out that at the present time we not only receive goods free, but we actually give the foreigner some advantages by not charging him anything whatever for goods that pass through the customs, as we charge no registration fee. The cost of the Custom House, if I remember rightly, is something like 1,600,000*l.* a year, and I think that the whole of that 1,600,000*l.* a year is deducted from the duties which are received on dutiable articles; it would be to my mind a far fairer system that everything which necessitated the existence of the Custom House, and which called the Custom House into operation, should pay *pro rata* for the expenses of the Custom House.

14,277. When you say *pro rata*, that might be rather difficult to say that everything that comes through the Customs should pay some recognised but at the same time very low figure; have you ever thought what kind of sum of money might be raised in that way?—What occurred to me was this, that the fairest system would be to have a compound registration fee, partly *ad valorem* and partly according to weight, say a few shillings in the hundred pounds of value, and a few pence on every ton, so as to make the registration fee a compound between value and weight, because both weight and value give trouble to the Custom House.

14,278. This, of course, does not come under the term of retaliatory duty that you are speaking of; it would be a certain mode of raising revenue upon articles imported into this country?—Yes.

14,279. What I was going upon was this, there is no competition with your trade, I presume, except from the continent of Europe; there is none from the Colonies or India?—There is none at present from the Colonies or from India, but in India mills have been started which have materially affected our exports to that country, and in the Colonies also mills have been started of late years, and naturally they have interfered to some extent.

14,280. If there should be a manufacture of paper started in India, and paper were sent to this country, it would practically be a benefit to India to the extent of the difference between the silver cost of production there, and the gold cost of sale in this country, would it not?—I think there are several mills started, but at present all their production is wanted for home demand, and the freight from India of course would

tell considerably, against their being able to export paper to this country.

14,281. (*Mr. Aird.*) You stated, did you not, in reply to the noble Chairman, that you considered that the English manufacturers have had their full share of the increase that has taken place in the paper trade of late years?—I think that the English manufacturers have increased their powers of production in a more notable degree than the continental manufacturers.

14,282. Then they suffer really because the price obtained for their manufacture is materially lessened through foreign competition?—So far as the bulk is concerned, the paper manufacture has now attained dimensions very much larger than it has ever reached at former periods in its history; but, so far as remuneration is concerned, and so far as profits are concerned, I believe they never were at a lower stage.

14,283. The profits of the manufacturers having suffered, can you give me any reason why the Association of Paper Manufacturers have not themselves considered the question of remedy?—We considered it so far as lay with us when we received the questions from this Commission, but as a body it has been the principle of the association not to interfere with the matter of price.

14,284. In reply to a question put to you by the noble Chairman, I understood you to say that the association had not considered the question of remedies, and therefore you expressed only your individual opinion?—I say, as a matter of practical working, it is very hard to get a unanimous opinion from any large association. We have not had any very numerous attendances even at the committee, so that I preferred giving the opinion that I did; that is to say, giving it rather in my own individual capacity than as being the unanimous opinion of the association.

14,285. Does not it appear that those who are dependent upon this industry, and who pass their life in it, might themselves form a better opinion as to the remedies than gentlemen who are not so well able to deal with the individual merits of particular trades?—I am afraid I do not quite understand the question. I have been a paper manufacturer for 46 years, and have taken a very warm interest in the welfare of the trade.

14,286. Do not you think that, having that warm interest in the welfare of the trade, that would be a responsibility which might be fairly met by the paper manufacturers that they should themselves as a body consider and determine that which is regarded as so desirable in the interests of the business?—I think it would be very well if it could be arranged, that anything of the kind could take place; but we have in our body a vast variety of political opinion, and certainly in some cases there appears to be a view that any question relating to free trade is beyond the bounds of discussion, and that it is a kind of deity which has been set up, and no blasphemy must be heard against it. That being the feeling with a certain number, of course there is a difficulty in getting any general consensus of opinion.

14,287. With regard to the sales of the material made by paper manufacturers, who are the purchasers, are they merchants or what?—There are a certain number of distributors of paper known as wholesale stationers, who supply the publishers and the retail stationers, and, in the case of a great many newspapers, the paper manufacturers supply direct without any intermediary.

14,288. Do those who purchase the English manufactured paper also buy foreign produced paper?—They do, and sometimes without knowing it. I believe I am right in saying that a considerable amount of the paper supplied to Her Majesty's Stationery Office is of foreign manufacture.

14,289. Do you think that the paper trade at all suffers from the introduction of the intermediary agents?—I do not think it does. I am perhaps not properly qualified to speak in a perfectly disinterested manner, because the firm of which until lately I was

*Mr. J. Evans,*  
*F.R.S.*

26 May 1886.

Mr. J. Evans,  
F.R.S.

26 May 1886.

a member were not only manufacturers, but also wholesale stationers.

14,290. (*Mr. Dale.*) Is not the only form in which those foreign countries are protected in their paper industry, their being able to obtain their rags at such a lower price as may result from those rags having an export duty imposed upon them?—The protection is rather of this kind, that in consequence of the manufacturers both in Britain and abroad now to a great extent relying upon a sale for what are termed their surplus products, the fact that the surplus products of continental countries are being admitted freely into this market while ours are rigidly excluded abroad acts as an aggressive protection, and exposes us to an unfair system of competition.

14,291. Do you contemplate giving us any statistics showing the quantity of paper made in England, the quantity of paper consumed in England, and the destination of the paper which is made?—I am afraid that as there is no excise duty on paper it is very difficult indeed to obtain any accurate statistics. Mr. Chater, who will follow me, will be able, I think, to supply some information as to the amount of paper that is produced, but how far he will be able to give you the particular destination of that paper I am not able to say. The Board of Trade returns, although very carefully made up, are of course dependent upon the particulars that are furnished to the Board, and I am inclined to think that under the different headings there are other qualities of paper in a great many cases than those which at first sight would appear to be intended to be under those heads.

14,292. Of course you will see that it would be very helpful to us, in estimating the value of your evidence, to know how far as a matter of fact the English consumption of paper exceeds the English production of paper?—I am inclined to think that approximately the English consumption and English production are very much on a level. We export a certain amount of paper to our colonies, and a certain amount to continental countries, but generally speaking what we export is of higher quality than what we import; but Mr. Chater will probably be able to give you better particulars under this head than I can.

14,293. (*Mr. Ecroyd.*) You mentioned the effect of the foreign export duty which was maintained by continental countries upon rags as constituting a bounty to their own producers; was it not the fact that at the same time their producers were also largely protected by import duties?—They were, and had been for years.

14,294. But there was a double advantage enjoyed by them; first, the protection against the exports of raw material; and, secondly, in addition, the protection against the imported foreign manufactures?—Exactly so; that was the case; but what I wish to point out now is that protection has got into that state that it amounts to an actual bounty, and enables foreign countries to be aggressive instead of being merely protective.

14,295. There is a very large question whether it is not the universal effect of protective duties to afford an indirect bounty; but what I was rather anxious to clear up was this: you spoke of the export duties on rags having been very considerably diminished, and in some cases abolished; and I think the import duties on paper admitted to this country have also been abolished?—Yes.

14,296. Has there been any reduction in the import duties levied by foreign countries?—I am not prepared to say. I think there has been some slight reduction in Belgium and in some other countries.

14,297. Has there been any increase in the other countries on the continent?—I think there has been an increase in the United States and in Germany.

14,298. You have told us that you believe that we may assume that the productive power of this country is about on a par with its consumption?—I think so. I will not speak with great confidence upon the point, but that is my impression.

14,299. You said, I think, in answer to the noble Chairman, that you believed that the English paper manufacturers have obtained a fair share of the increased work of the world?—I said that I thought the manufacture had increased in this country fully as much as it had in any other country.

14,300. What I want to know is: We know that there is a vast consumption of paper in England,—a consumption of paper much larger in proportion to the population than in any country in the world, unless it be the United States; do we get, however, our fair share of the international trade?—I do not think we do. I think we are shut out from the continental markets in a manner which not only is prejudicial to us, and prevents us from obtaining access to those markets, but is advantageous to them as giving them an unfair access here.

14,301. Then you believe that the effect of the protective system which is practised by the continental nations has been, in fact, to obtain for them a larger share of the international trade than that which we obtain under that system?—I think so; that is to say, so far as the paper trade is concerned.

14,302. Then what would you believe would be the effect of an import duty upon paper with reference to the price in this country?—That of course, would depend a great deal upon the amount of the import duty; but, no doubt, the import duty on foreign paper coming to this country would have a tendency to raise the price of paper here, inasmuch as the price of paper at the present time is kept down below what one must regard as the normal level in consequence of foreign competition, which competition takes place under unfairly advantageous circumstances.

14,303. No doubt import duties are supposed to raise the price of the manufacture in the country which levies them; but as it is your experience that foreigners under the protective system are able to export their paper here, and to obtain a larger share of the international trade than we do, it would really appear that the effect of a protective duty cannot be to raise the cost of production as compared with the cost in this country?—That depends entirely upon the proportion of protection which those countries demand. If the production is in excess of the demand, they may export to a considerable extent at a lower rate than what they are selling at in those countries, and yet be able to maintain a profit and get a considerable amount of international trade.

14,304. Is the general price of paper of ordinary quality higher in Germany or Austria or the United States than it is here?—I believe so; and I believe you will hear it confirmed that in Germany at the present time the paper which is being sold in Berlin at 3*d.* a pound is exported at the rate of 2*d.* a pound to England, and has a preferential railway rate granted to it into the bargain.

14,305. What is the quality of the paper which is chiefly imported into England?—That would be perhaps worth 2½*d.* or 2¼*d.*, say, for common newspapers.

14,306. Do you know whether the price of paper in Germany or Austria is higher than the price of the same paper in England by the amount of import duty which those countries levy?—I have hardly sufficient knowledge of the prices. Mr. Barlow, who is here, has lately been abroad investigating some of the conditions of the mills, and he will be able to give better evidence on that point than I can.

14,307. You have spoken of some competition in India; but in India there is no import duty levied on paper, is there?—No, there is not.

14,308. Therefore the indirect bounty created by protective duty does not exist in India?—India does not export, and is not likely to do so.

14,309. But an indirect bounty created by an import duty of that kind would not exist in India?—No.

14,310. And it could not be the subject of complaint?—No.

14,311. Are you subject in this country to the provisions of the Factory Act in your trade?—We are.

14,312. Do you know whether in India your competitors are subject to anything like the regulations of our Factory Act?—I am not aware how far any Factory Act may affect our competitors in India.

14,313. Do you think it important that whatever restrictions upon the hours and conditions of labour may be considered necessary in this country for the health and well-being of the population should also be enforced in India?—I think so. Assuming they are necessary in this country they would naturally be necessary there.

14,314. And that such enforcement would be only just to protect the various manufactures in this country which have to compete with India?—Quite so.

14,315. If, as you say, the depressed condition, as regarded from the point of view of the capitalist, is such that a large business is done, but that the prices are unprofitable, capital may, suffer in that way for some length of time without labour coming to feel the full effect of it; has it been so in your case?—There has not been a corresponding diminution in wages to the diminution in profits.

14,316. That is the general testimony, I think, in all trades; but in your opinion is it possible that this can be a permanent state of things, and that capital can continue to conduct those large operations without profit, and still to pay this full remuneration to labour?—Put in that way I think it is evident on the face of it that it is impossible.

14,317. Then you believe that the present state of things is a transition state?—I hope it is.

14,318. You think that it will soon recover, but in the meantime the capitalists bear the chief share of the loss?—That is so. To a certain extent I think the rate of wages has been reduced, and they are not so inflated as they were. The wages that we paid in some districts were materially affected by the shipbuilding industry at one time being in a state of inflation, and contracts being taken against time, and enormous wages being paid, which diverted the ordinary labour from the paper manufactories in the neighbourhood, and entailed the necessity of raising the wages in order to keep the labourers to the paper manufacture.

14,319. (*Mr. Jackson.*) Is there any special connection between the paper labour and shipbuilding?—In a great many cases paper is made in places in the neighbourhood of ports or on a river side, as much of our material now comes from abroad. The esparto, which is one of the principal materials for the manufacture of paper, is brought in great quantities to Newcastle and Sunderland and to some other ports, and as a consequence the paper-makers have settled in the neighbourhood of the ports to which this material comes.

14,320. (*Mr. Ecroyd.*) If the present depression of trade should prove not temporary but permanent, do you believe that a considerable reduction in wages and in the employment of labour must take place?—I think either a considerable reduction in the wages of labour must take place, or the number of concerns now in operation must be reduced.

14,321. In any case the amount of money paid for English labour must be reduced?—I think so.

14,322. Either by the reduction of the rate of wages, or by the displacement of the labour employed?—I think it must be so.

14,323. You have told us that there is a political difficulty in the way of an impartial discussion of remedies by your trade, inasmuch as some of those matters cannot be treated apart from their connection with party politics?—That is my impression.

14,324. But is there anything necessarily connected with party politics in the free and full discussion of the effect of any given trade policy upon the trade?—There ought not to be, but I am afraid that of late

the tendency of politics has been to assume a more narrow base than in olden times it occupied.

14,325. Would you tell us what is your own belief as regards this point; what would be the effect upon the cost of production in this country of a duty, say, of  $\frac{1}{4}$ d. a lb., on the paper imported from foreign countries?—I do not think that it would affect the cost of production of paper in this country. I do not see how it could. It is, however, a point which I have not considered.

14,326. So long as no import duties were levied upon the raw material of your industry, that is to say, upon the esparto grass or the other raw materials that are consumed, can you conceive that the adoption of a system of levying duties upon manufactures imported from foreign lands, and even upon articles of food into this country would have any effect upon the cost of your production?—I do not think it would have any effect upon the cost of production. Of course it is possible that import duties, if they were universally levied, might raise the cost of some of the incidental items in the manufacture, and by that means raise the cost of production; but if that be limited merely to paper, I do not see how it is to affect the cost.

14,327. But supposing that a small import duty was levied upon foreign manufactures, upon the completed article, and not upon the raw material, does it occur to you that that could have any perceptible effect in raising the cost of your production?—No, it would not.

14,328. Is it, however, true that if a duty were levied upon foreign food imported into this country, leaving that which is produced in India or the Colonies to come in free, there would be any possibility of that policy raising the cost of your productions?—That depends upon the amount of such duty in a great degree. Of course, although wages at the present time have not gone down at all in proportion to the cost of food, it seems probable that in the course of years there will be some relation maintained between the cost of food and the rate of wages.

14,329. Do you believe that an advance in the price of food creates an advance in the rate of wages?—It has a tendency in that direction, because the lowest wages that are paid in the agricultural districts are wages at which a man can just live.

14,330. Are you aware that Cobden and the adherents of that economical school always maintained that a reduction in the price of food invariably raises wages, because the cost of food absorbing a smaller proportion of the earnings of people, they have money to spare in purchasing other manufactures?—I am aware that that has been a view which has been held.

14,331. If that be so, an advance in price of food must inevitably, according to that principle, create a reduction in wages?—It would appear to do so, but I am not prepared to express the opinion that it would.

14,332. Of course it would be very desirable that the wages should rise with the advance in the price of food, but can you trace any logical ground upon which they would do so?—If you speak of the lowest possible wages for skilled labour, of course there are two elements that enter into the question,—one the demand, and the other the question of trades unions.

14,333. Your answer was contingent upon the amount of duty levied. I want to put it to you in a very direct form, and I will take the strongest case; supposing that this country should levy a duty of 3s. 6d. a quarter upon all foreign wheat, leaving that of India and the Colonies untaxed, do you believe that that would in any way effect the cost of the production of your manufacture?—I do not at once see that it would.

14,334. (*Mr. Houldsworth.*) I should just like to follow up an answer that you gave to the noble Lord in the chair, when he asked you with regard to

*Mr. J. Evans,*  
*F.R.S.*

26 May 1886.



Mr. J. Evans,  
F.R.S.

26 May 1886.

retaliatory duties; he asked you, I think, whether, supposing they did not succeed in inducing foreign countries to take off their hostile tariffs, you thought that it would be a benefit to your trade if they remained on permanently; and you did not quite clearly to my mind answer the question directly, because you introduced the word "bounties," and said that in the cases of which you spoke there was a real bounty, or, as I understand you, probably you included a practical bounty in an import duty, and you thought that it would be a benefit to trade if these retaliatory duties were permanently maintained?—I think it would.

14,335. Do you make a separation between bounties and the ordinary hostile tariffs in that answer?—No, I do not, because all those hostile tariffs in the case of a manufacture like ours do act practically as a bounty on exportation.

14,336. Then I understand you to say that you would think it a benefit to your trade if an import duty was put on foreign paper coming into this country as against countries which have an import duty against English paper?—I think it would.

14,337. Do you go any further than that, and would you say that in cases where it was not some particular article but in general which we received from foreign countries, certain goods of which we were speaking, and other classes of goods, would you then say that in your opinion retaliatory duties imposed on different classes of goods would benefit the trade?—It is a subject which I have not considered, and it is one on which I should have some doubt.

14,338. (*Mr. Jamieson.*) You have been for a very long time engaged in the paper trade, I think you said?—I have been engaged in the paper trade 46 years.

14,339. Will you carry back your recollection for 20 years. I think the paper trade was very well organized at that time; can you tell me how many mills were at work 20 years ago?—I think Mr. Chater is better provided with all these statistical answers than myself.

14,340. When did you first feel the present depression pressing on your trade?—The first pressure that we felt was, so far as my memory will serve me, shortly after the removal of the duty, but things have been getting gradually worse for the last six or seven years.

14,341. But has the paper trade been in any sense depressed for the whole time since we have taken off the paper duty?—It has for a great part of the time, so far as prices are concerned.

14,342. I mean rather so far as extension is concerned?—I would not say so far as extension is concerned, because many have gone on the principle of extending with the view of reducing their standing charges, and by that means obtaining a profit.

14,343. Would you say that the paper trade of this country had been in a depressed condition for any material part of the 20 years?—So far as profits are concerned, I should say it had been in a depressed condition for at least four or five years.

14,344. Do you use that term "profits" as compared with the rate of profit earned during the previous period; or by what do you measure the falling off of the profits?—If you are not obtaining five per cent. upon your money I think you can hardly say that you are engaged in a profitable business.

14,345. Do you think that the paper trade has been earning 5 per cent. in this country for the last 20 years, or any material part of it?—I should say that on an average the paper trade has not realised more than 5 per cent. for the last four or five years.

14,346. Then would you correct your answer to that effect by saying that depression has only existed for four or five years?—The principal depression that I am speaking of, I think, has only existed during the last four or five years, but shortly before that there was a time, when profits went up, when there was a considerable amount of fresh capital invested in the business.

14,347. Which would rather indicate a successful than a languishing trade, would it not?—At that time.

14,348. Would it not indicate that up to within a comparatively recent time in the history of the paper trade it had been eminently successful in this country?—There have not been such large fortunes made in the paper trade that there have been in other industries that have been successful.

14,349. The paper trade in its requirements of pure water is somewhat limited in its area; and the places in which paper is manufactured to a large extent are few in number, are they not, from the necessity of finding pure water and the means of getting rid of the products?—Of late years it has become more and more limited. In former times, when there were a large number of country mills, I think it was spread over a larger area.

14,350. Could you mention any particular areas where depression existed six or eight years ago; was it in the neighbourhood of Newcastle and Sunderland, or in Kent or in Scotland?—Six or eight years ago I do not think there was any special depression.

14,351. Then again is it not the case that the paper trade, say, six or eight years ago, was in an eminently satisfactory condition?—It was in a fairly satisfactory condition; but before that which I call a period of comparative prosperity, some eight or ten years ago, there were periods when the profits were very materially reduced, and the business was not in a satisfactory condition.

14,352. But during the time before the recent depression, when you complained that there had been a material falling off in profit, has that been accompanied with any extension of production?—There has been a falling off in profit; and with the view of realising any profit at all, every mill has striven to increase its production, and in most cases has succeeded in doing so.

14,353. Are not most of the mills just now working a double shift night and day?—It has been the practice in the trade generally to do that.

14,354. They are now doing it a good deal, are they not?—I think so.

14,355. Is it your opinion that they are not on an average making more than 5 per cent. profit, even if they are making that?—My means of information are so small that I can hardly speak with confidence, but that is the impression that is on my mind.

14,356. There is no reduction of wages, I think you said?—A slight reduction.

14,357. Has there been any extension of late in the use of other materials than rags and esparto grass for making paper?—In recent years the use of wood to some extent, and the use of straw and bamboo has also come in.

14,358. Do not you think that all these things tend to extend the use of cheap paper?—The use of cheap paper has materially extended, partly in consequence of the public being now satisfied to have their newspapers and periodicals on a lower quality of material than formerly.

14,359. Of course that would entail naturally a somewhat less relative amount of profit per pound?—The relative amount of profit per pound would go down, by the quantity being increased. I am speaking not of the rate per pound profit, but of the per centage of return upon capital.

14,360. But if there was an increase in the quantity, although there might be a less profit per pound, the manufacturer would not be materially injured, would he?—He might not be.

14,361. Are you aware of any mill of great extent that has been closed within the last four years?—I think there have been several. The Mendip mill is not going now, and in Lancashire several mills are closed.

14,362. Recently?—I think Mr. Chater will be able to give you better particulars than I can on that point.

14,363. In the supply of paper sent abroad has the German supply been maintained lately?—I think the exports to Germany are very small.

14,364. In the colonial exports, have the exports from this country to Australia been maintained?—I think the colonial exports have increased as far as I remember.

14,365. (*Mr. Lubbock.*) Do you know whether the rate of wages in Germany in the paper-making trade is very much below the rate in England?—It is very materially less than in England, but Mr. Barlow will be able to give you some particulars under that head.

14,366. Turning to Germany, I understand that she competes with you most severely of the countries on the continent?—Germany, Belgium, Austria, Sweden, and various countries are competing.

14,367. Do you consider that in all those countries the rate of wages is lower than in England?—No doubt.

14,368. And that the production in those countries does not at all have the effect of increasing wages?—No, I do not think so.

14,369. (*Mr. Palgrave.*) You mentioned that the export duty on rags in foreign countries has been reduced through the influence of the Paper Makers' Association?—To a great extent through their influence, partly by bringing pressure to bear upon our treaty-making departments in this country, and partly by the direct action in France of the Paper Makers' Association, and to a great extent by the organised opposition on behalf of the rag merchants to the heavy export duties which interfered with their trade in England.

14,370. You mentioned the trade with India; do you think that the rate of exchange has had any effect on the export of paper to India?—There is no doubt that it must have had an effect. Many of the shipments to India, instead of realising what was anticipated, have produced far less than what the prices were when they were sent out. Owing to the fall in exchange any business transactions between this

country and India have of late years been to a certain extent of a gambling character, so that you never knew what you were going to receive in return.

14,371. Sometimes resulting in loss rather than profit?—As a rule for the last few years it has been down and down always, and there has been no recovery.

14,372. (*Chairman.*) These export duties on rags in certain foreign countries are laid upon all rags, are they not, to whatever country they are sent, and not only if sent to this country?—I think they are generally.

14,373. You are not aware of any discriminating duties?—No, I am not.

14,374. I should like just to ask you with regard to the comparative value of rags and esparto and other substances; supposing the export duty was taken off rags, would they largely come in instead of esparto?—Not so much, because the rags are employed for a different class of paper from the paper produced from esparto; but of course if the duties were reduced upon rags, the price of rags would be reduced, and consequently the cost of making paper from them would be reduced likewise.

14,375. You are referring, I presume, to the finer kinds of paper?—Yes, the better kinds of paper as a rule.

14,376. Can you tell me at all from what countries India and our colonies import their paper?—I think that Mr. Chater will be able to tell you better than I can.

14,377. Generally speaking, we do export to those countries, do we not?—Yes, we export largely to Australia.

14,378. And we can hold our own as against foreign countries?—Hardly. There is a great amount of foreign paper exported there also.

14,379. (*Mr. Sclater Booth.*) Is that exported to Australia under a bounty?—It is, practically under a bounty.

Mr. GEORGE CHATER, jun., examined.

14,380. (*Chairman.*) You are yourself a paper-maker, are you not?—I am a partner in a firm of paper-makers, having mills in different parts of the country, although we are more largely engaged as paper dealers and wholesale stationers.

14,381. Can you give the Commission any statistics with regard to the course of the paper trade of late years?—I have a few statistics which I have extracted from the Board of Trade returns. Of course they are to be taken for what they are worth, because the Board of Trade returns are very puzzling, and not always correct, I think.

14,382. Have you no returns of your own?—Of my own business I have of course.

14,383. I mean have the Paper Makers' Association not collected any information of their own upon the subject?—No; they have not succeeded in getting statistics sufficiently complete.

14,384. (*Mr. Jackson.*) Has it been pointed out to the Board of Trade that the returns might be improved?—Yes; not only by our trade, but by other trades.

14,385. (*Chairman.*) Since the repeal of the paper duty, has the manufacture of paper advanced or declined?—It has increased enormously.

14,386. Do you agree with Mr. Evans that the increase in the paper production of the world has been fairly shared by British makers?—The increase of production in England has held its own with the increased general production, and no doubt with the increased consumption also.

14,387. Do you consider the trade to be in a depressed condition at present?—The prices are not as remunerative as they ought to be in a manufacturing business.

14,388. You are aware, are you not, that that complaint is made by almost every branch of industry in the country?—I am.

14,389. Do you think that the paper trade is worse or better than the general run of trade?—I should think neither worse nor better, but a fair average. I might mention that the depression is more in prices than in consumption, because paper is an exceptional article. The spread of education increases the consumption of paper, and increases it more, perhaps, than any other article of manufacture.

14,390. Is the falling off in value due to any difference in the quality? Is the paper produced more cheaply than it was?—Yes.

14,391. Therefore it would be natural that it should fall off in value?—Yes.

14,392. That would not necessarily imply any diminution in the demand or in the production of paper?—No.

14,393. Nor in the profits?—No.

14,394. Can you tell the Commission anything about the trade with India and the colonies?—I can give you a little information about it.

14,395. Taking the question that I put just now to Mr. Evans, does India and do the Colonies import principally from this country or from foreign countries?—I should think that they import principally from this country, but Germany and Belgium send large quantities of paper direct to those markets.

14,396. Do you suppose that that is on the increase?—Yes.

14,397. But we are able, are we not, to hold our own as against foreign countries generally,—Germany and Belgium with the rest,—in the open market in our colonies and India?—We are hardly able to hold our own, because orders are taken and paper is supplied at prices which are unremunerative to the English manufacturers.

14,398. When you say that we have not been able to hold our own, is our trade with the colonies or our trade with India diminishing?—Our trade with the

Mr. J. Evans,  
F.R.S.

26 May 1886.

Mr.  
G. Chater, jun.

Mr.  
G. Chater, jun.  
May 1886.

colonies is not diminishing; it slightly diminished in India in the first year of the last three years; but in Australia it is increasing, owing, no doubt, to the increase of population in Australia.

14,399. Is there any manufacture of paper that you are aware of in Australia?—There are a few mills which have been recently established.

14,400. But none of any importance?—Not of sufficient importance to affect our trade very materially as yet.

14,401. But in India is the case different?—In India there are some mills which have been established where they make a coarse paper for native use, and for packing purposes.

14,402. But not for writing paper?—Not for good writing paper. The natives use it for writing paper.

14,403. Of what material do they manufacture it?—They manufacture from fibres which grow near the mills, and from grasses of various descriptions.

14,404. The effect of competition of late years has been to develop very much a great increase in the materials which are used for making paper, has it not?—Yes.

14,405. Do you see any signs of improvement in the trade now?—No, not in respect of more remunerative profits. The competition with Germany especially increases rather than diminishes, and keeps our price down.

14,406. The small paper manufacturers in this country have been driven out of the field, have they not?—Soon after the abolition of the paper duty a good many did disappear.

14,407. But with regard to the larger ones that have taken their place, have any of them failed?—Several mills which have been established within recent years have failed. Limited liability companies have started and have failed, and in many cases have been resuscitated, when a new company has been able to work to very much greater advantage than the original company through obtaining the plant and buildings at a nominal price comparatively.

14,408. What is your opinion of the working of the limited liability principle upon your business?—It has caused the establishment of a great many large manufacturing, more especially in the neighbourhood of Manchester, which had not been successful until they had established themselves on a new basis in the way I mentioned just now, having been wound up, and a new company formed on the ruins of the old one, in many instances.

14,409. Do you think that the formation and working of those companies has been beneficial or otherwise to the trade as a whole?—Otherwise; it has certainly not been beneficial, at least not to their rivals in trade.

14,410. Are they managed generally by people who understand their business?—I suppose not originally.

14,411. Are those who take shares in them generally persons who merely put money in for an investment, or are they persons who know the business?—They are very seldom people connected with the paper trade.

14,412. What has been the progress of wages of late years in your trade?—They have been very stationary since the time when all wages went up in the 70's, soon after the war, when the "Short Time" agitation began. Since that time the wages have remained stationary, and have not much decreased from the high rates which then prevailed.

14,413. What is your own opinion as to the measures that could or ought to be taken to improve the condition of the trade?—As a trade we should no doubt benefit by an import duty being placed upon foreign paper.

14,414. Is that what you would recommend?—As an individual trade, it would benefit our trade.

14,415. Would you do that as a permanent piece of legislation, or for the purpose of obtaining a reduction on the side of other countries?—If other countries abolished all their import duties, and every country was a free trade country, I think that we should be

able to hold our own, and to carry our goods into foreign countries from which we are now shut out.

14,416. Supposing that other countries do not take off their duties, do you think that we ought to have a duty on our part?—It would benefit our trade very much, but I cannot answer that question generally.

14,417. (*Mr. Sclater-Booth.*) You spoke of the normal profits of business in the paper trade, and you said that you did not mean to assert that the depreciation in the profits of the paper trade were large in comparison with that of other trades; you do not think that the depression in the paper trade is excessive compared with other trades?—No; from what one hears of the cotton trade and the woollen trade, I do not know that we are suffering more than they are.

14,418. When you speak of diminution of profits, you mean as compared with previous experience?—Yes.

14,419. In your trade do you find it practicable to compensate for the depreciation in profits by lowering the rate of wages?—No; our wages are not excessively high in the paper trade.

14,420. Are they as high as they were when the profits were higher?—They may be somewhat diminished; one takes opportunities of reducing them when one can.

14,421. Why do not you reduce your wages?—We do reduce our unskilled wages, no doubt; but the skilled men that we employ are a limited number; our ordinary wages, as a rule, are not high for artisans' wages in comparison with some trades.

14,422. Then it comes to this, that the capitalist is content to allow wages to have a larger share of the profit than he did a few years ago?—That is so.

14,423. Do you think that the capitalist would be able to recover from that position again?—I do not see any prospect of his being able to do so.

14,424. You spoke of the competition of English paper with paper made abroad. I think I have heard it said that the great consumers of English paper get their paper from English establishments carried on abroad; is that so?—There are one or two Englishmen established in Austria, but it is not an ordinary case.

14,425. Are the great London newspapers, for example, supplied with paper from English manufacturing establishments abroad?—I do not think so.

14,426. Of course the consumption of paper for newspapers is something enormous?—Yes. There may be some Englishmen established in Sweden; but as a rule I think that the paper trade in foreign countries is conducted by the natives of those countries.

14,427. Do the great English newspapers have exclusive dealings with certain paper manufacturers, or do they share in the profits of the paper manufacturers?—One or two newspapers happen to be connected with mills, but as a rule they buy in the open market, whether it is from the English or foreigners.

14,428. I suppose that is rather a growing than a diminishing practice, is it not?—No doubt it is growing.

14,429. And likely to be so?—No doubt.

14,430. (*Mr. Jackson.*) Have not some of them mills of their own?—Yes.

14,431. (*Mr. Sclater-Booth.*) You do not know of any case in which a great English newspaper, in endeavouring to cheapen its prices, contracts with foreign manufacturers for its regular supply?—There are newspapers who do that.

14,432. Can you specify them?—I am not prepared to name them. No doubt a great many contract for a large portion of their supply.

14,433. In that case is the foreign manufactory established through the agency of capital belonging to the newspaper, or is the capital provided entirely by outside parties?—It would be provided by the manufacturer himself; and he would, very likely, being protected by a bounty, as Mr. Evans has called it, in his own country, come to this country, and make a very

Mr.  
G. Chater, jun.  
26 May 1886.

large contract at an extremely low price, saying to himself that he was thus able to place a large surplus quantity without having to look about in the market.

14,434. Do you attribute that power of the manufacturers, say in Belgium, or France, or Germany, to make an advantageous contract of that sort, to the lower rate of wages, or to the system of bounties and protection, or both?—More especially to the system of bounties and protection, and to a certain extent to low wages perhaps. Although their rate of wages is lower they probably employ more men. I should think that on the whole their wages per ton may not be very much lower than ours.

14,435. However, you admit that you cannot drive the wages lower?—Not materially. I do not see any way to reduce the wages.

14,436. (*Mr. Aird.*) You spoke of import duties being levied for the benefit of the trade; that would, I take it, benefit them by increasing the price of paper?—We should not meet with the keen competition of the foreigner who throws his surplus product here, and therefore being relieved from that competition we should get a slightly higher price here, no doubt.

14,437. You would get a higher price for the paper, for which the buyer would have to pay?—Yes.

14,438. Would it not be the general effect of import duties levied upon any foreign produce or manufacture which is brought into this country that while the manufacturer would get a larger price the buyer would have to pay more?—That would follow, no doubt.

14,439. Do you agree with the opinion expressed by Mr. Evans that political questions prevent the trade as a body coming to any conclusion as to the remedies which would be desirable for the benefit of the industry?—Yes.

14,440. Upon the question of wages, what wages are paid to workmen in the paper trade at the present time?—Highly skilled paper-makers, as we call them, who have technical knowledge, would get about 6s. a day on an average. Some men in some mills obtain a bounty on the quantity they turn out, and by working extremely hard they will earn perhaps 40s. or 42s. per week.

14,441. Are they paid by the day, or is it piece-work?—They are paid by the day, but they have a bounty on the quantity turned out in many mills.

14,442. Are you at all affected by trades unions in the paper trade?—There is a small union; but it only affects a certain branch of the trade, namely, hand-made paper. The union hardly affects us. The "hand-made" makers are a branch of the trade by themselves, and they are under a very strict union, and, no doubt, they are very much crippled by that union, but it is a comparatively small branch of the trade.

14,443. Do you consider that the control of the paper trade rests with the master, the manufacturer, and not with the trade union; or with whom does it rest?—We do not suffer from much difficulty with our labour.

14,444. At all events the manufacturers do not complain at all of the working of the trades unions with regard to the paper industry?—No; that does not affect our industry much, but it affects other men that we employ, our engineers' and our fitters' shops. We have to keep an establishment of engineers and fitters, and of course they are under trades unions; but that is only an incidental expense as it were; it is not a main branch of our manufacture.

14,445. You make no complaint of the operation of trades unions as regards your manufacture?—Not as regards the paper manufacture.

14,446. Upon the question of limited liability companies, Mr. Evans thought you could give us some information about them; do you consider that they have been detrimental to trade during the last 10 years?—I think to this extent they have, they have caused undue competition in some branches of the trade.

o 24357.

14,447. You do not suggest, I presume, that they have caused unfair competition in any way?—No, I do not consider that the competition is unfair.

14,448. But it is rather this, as to whether any facilities have been given by the Limited Liability Acts to the formation of companies which have been detrimental to the paper trade?—I do not think I should like to say yes to that.

14,449. Manufacturers complain of a very material loss of profit during the past five years; can you as a wholesale stationer make the same complaint?—Certainly.

14,450. You believe that the stationers have suffered fairly with the manufacturers?—Yes.

14,451. (*Mr. Cohen.*) You said something about the operation of the Limited Liability Act in connexion with this question; do you mean that it may be very beneficial to a particular trade, but it does not affect the trade at large, although the individual may suffer?—The whole trade suffers by the increased competition, which probably would not have existed but for the fact of the establishment of those companies by persons who were not acquainted with the details of the trade.

14,452. What I mean is, that as regards the principle, when you say you are suffering in consequence of the Act, whether the profits of the trade be 10 per cent., or whatever it may be, it makes no difference to the country at large?—Not to the country at large, but, of course, if they have losses the country feels it in the end.

14,453. The business remains in the country just the same, does it not, as a general rule?—Yes, I suppose so.

14,454. There are some trades which have established their works abroad; that is not the case with paper, I suppose?—No.

14,455. Have you joined in any representations to the railway companies in respect of their rates on paper?—We did last year, not under this present Bill, but last year we had a meeting with the representatives of all the railway companies, and had our rates put on a better basis; that applies more especially to the London trade.

14,456. Are you satisfied with the present tariff?—We should like it reduced, of course.

14,457. (*Sir J. P. Corry.*) With regard to the export trade to the colonies, do you find that the continental export trade has increased largely with the colonies?—Yes, very much. The German manufacturers are sending goods into our colonies very often on consignment.

14,458. Where do the shipments take place?—From Antwerp and Hamburg; and therefore they do not come into our Board of Trade Returns at all.

14,459. Therefore you have no means of judging of the extent of the export trade from the continent because the shipments are made from Antwerp and Hamburg?—Precisely so.

14,460. So that they may be competing with you to a very much greater extent than you are aware of?—Much greater than we can show by any statistics. The same remark would apply to many other markets. This country does a considerable trade in paper with South America.

14,461. And, therefore, while you are exposed to hostile competition in the colonial markets, the competition is very much keener than it would be if you had to compete simply with the quantity of paper shipped from this side?—Yes.

14,462. The price at which paper is being produced now in this country is very much less than it was five years ago, is it not?—Very much less.

14,463. Do you think that the improvement of machinery on the continent has anything to do with the cheaper production of paper?—Personally, I have not visited any of the continental mills for some five or six years; but my friend, Mr. Barlow, who has just come from the continent, will be able to answer you.

14,464. (*Mr. Dale.*) You connect the decline in the prosperity of the paper trade with the abolition

B

Mr.  
G. Chater, jun.  
26 May 1886.

of the duty on paper; can you offer any explanation of that?—I did not intend to convey that impression. Our trade, of course, has developed immensely since the abolition of the duty, but I said that several small mills had ceased to exist.

14,465. But was it a mere concurrence, or was it cause and effect?—I think it was owing in a great measure to the sudden competition of foreign paper, because when the paper duty existed we had then a protective import duty on paper, and no doubt the abolition of that duty caused the competition to be so keen that the small mills were unable to survive.

14,466. It was rather a concurrence with the transfer of those small mills to those larger and more economical establishments?—That was one cause, and the other cause was the abolition of the then existing protective duty.

14,467. (*Mr. Drummond.*) Has there not been a considerable alteration of late years in the mode of the production of paper, and the manufacture, and so on?—In the material used there has.

14,468. What has led up to that?—The increased demand for paper has caused the manufacturers to look about for fibres that would be available.

14,469. Is there not also an increasing demand for a better class of paper as the result of a better class of printed matter than formerly?—No, I do not think that the higher class of papers have had an increased demand in proportion as the trade has developed.

14,470. The higher class of papers are all of English manufacture, are they not?—We suffer a good deal from the Austrian competition in writing paper.

14,471. Can the English manufacturers make as good paper as the Austrians?—Yes, they can make it as good, and better, but they cannot afford to make it at the same price.

14,472. As a matter of fact do the English manufacturers make the best paper in the market?—I should be inclined to say so.

14,473. Do you suffer from American competition at all?—Not directly. We suffer from American competition in some of the neutral markets, such as South America. They are trying to develop a trade with South America.

14,474. What do you say to this: I had a paper placed in my hands a few days ago, and I was informed that the paper was manufactured in America; that the type was manufactured in America; that the ink with which it was printed was made in America; that the machine with which it was printed was also made in America; and it was really spoken of very regretfully; could you give us any idea whether the English manufacturers could make the same quality of paper?—Yes, undoubtedly.

14,475. Then you think there is nothing in that at all?—No, not as regards the paper.

14,476. (*Mr. Ecroyd.*) You have spoken of the search for new materials which has been enforced upon the trade, and also of the improvements in the processes; is it not the fact, that all those new materials and new processes are equally open to the foreign producers as to ourselves, and therefore cannot affect the consideration of the question of competition?—Yes.

14,477. With regard to the question put to you by one of the Commissioners, can you tell us when the excise duty in this country was taken off paper, and when the import duty which was formerly levied by this country was taken off?—They were taken off simultaneously in October 1861.

14,478. But they were two perfectly distinct duties, and naturally the excise duty was put upon the English consumption?—Yes.

14,479. The abolition of the excise duty greatly increased the demand for paper, did it not?—Yes.

14,480. Then there was the import duty, which prevented the import of foreign paper?—Yes.

14,481. And the taking off of that has brought you into competition with foreign paper, and compelled you to use certain machinery; that, I understand, is the real truth with regard to that question?—Yes.

That duty was looked upon by the trade as a counter-vailing duty against the export duties which were levied on rags sold in foreign countries at the time. The paper trade had a great fight about the years 1862, 1863, and 1864, under Lord Palmerston's government, to endeavour to get that duty re-imposed until the foreigner would consent to take off their tax on rags. We did not succeed, but eventually the foreigners have reduced their rag duties almost entirely.

14,482. Then the fact remains as regards the manufacturers of this country, that the abolition of the excise duty was a pure good for them?—Undoubtedly.

14,483. And it increased their trade?—Yes, no doubt.

14,484. The abolition of the excise duty has been a pure gain to the country, but the abolition of the import duty brought upon you two undoubted evils; first, it opened foreign competition upon you; and, secondly, it removed that which had been a counter-vailing duty, and had neutralised the evil effect of the export duty levied upon rags by foreign nations?—Yes.

14,485. You have also told us that the competition of the Germans has been very considerably increasing, both in the home market and in the colonies,—within our own colonies during the last seven years?—Yes, certainly; within the last three or four years more especially.

14,486. Has it been more noticeable and more formidable within the last three or four years than at any previous time?—Yes, certainly.

14,487. You have also told us that the successful competition of the Continental nations was, in your opinion, much more owing to the effect of the protective system constituting a bounty than to any difference in wages?—I am inclined to think so; without having facts to verify it, that is my opinion.

14,488. That being so, would you attribute to the indirect operation of the enhanced German tariff as a bounty the greater competition which you feel from the German manufacturers of late years?—Yes.

14,489. Do you believe that the protective policy of Germany has brought German competition more strongly against you both here and in the colonies?—Yes.

14,490. (*Mr. Houldsworth.*) Could you tell me as a matter of fact, whether, when the import duty was taken off paper in 1861, there was a very large increase, or any increase at all, in the import of paper from abroad?—Yes, there was.

14,491. Could you give me at all the per-centage, or any fact to show what the immediate effect of it was?—No, I am not able to do that exactly; it grew gradually as foreigners found their market there.

14,492. Was there an immediate effect?—Yes, there was an immediate effect. More foreign paper was introduced than had been introduced before.

14,493. To any large extent?—In 1863 it had grown from what we may say was almost nothing before the duty was taken off to 9,600 tons imported.

14,494. What per-centage would that represent of the whole trade?—At the time of the abolition of the duty the amount of paper made was 100,000 tons per annum throughout the kingdom, in 1863 the importation had grown to one-tenth; but then probably the English manufacture was slightly increased also.

14,495. Have there been considerable extensions in your trade under the Limited Liability Act?—Yes; there have been several mills set up.

14,496. I suppose there have been conversions of old private mills into limited liability companies?—Yes.

14,497. Has there also been a considerable extension of new paper mills under the Limited Liability Act?—Yes, there have been extensions.

14,498. Can you tell me whether in those mills the principal amount of capital has been share capital, or have they raised capital under their powers of



borrowing to any extent?—I do not think I could tell you that.

14,499. With regard to wages, I think you told the Commission that wages have not been reduced at all in proportion to the diminution of profits?—They have not.

14,500. Of late years it has happened, has it not, that in your trade the wages have not been reduced as the general trade has been reduced?—Precisely so.

14,501. Can you tell me what you think is the cause of that; has it been that the employers and capitalists have felt it their interest not to press for a reduction of wages?—I think it is partly owing to the limited nature of the trade. There are not so many skilled hands available; and although, of course, our trade has increased in quantity, the number of hands has been absorbed.

14,502. Has it been that you have been afraid of losing the hands if you reduced the wages of the workmen, which has prevented you from endeavouring to recoup the reduction in profits?—Yes, that would be so. We have not tried to diminish the wages.

14,503. Is the wages a small proportion of your cost of production?—No; it is a large item in the cost of production; but if we were to attempt to diminish the wages in our own works we should lose our hands, and we should not be able to get others to take their place, as there are only a limited number of people employed in the trade.

14,504. Do you think that the better state of feeling between the employer and the employed has had any operation in preventing capitalists in depressed times pressing for a reduction in wages?—I think so.

14,505. (*Mr. Drummond.*) Have wages risen in good times?—They did rise during the boom, so to speak.

14,506. Much?—Not very much; not nearly so much as they did in the engineering trade for instance.

14,507. We may take it for granted then that wages have not fluctuated much, either in good or bad times?—No, not much.

14,508. (*Mr. Jackson.*) I think I gathered that you rather agreed with the view expressed by Mr. Evans that it would benefit your trade if an import duty was imposed on foreign paper?—Yes, as an individual trade.

14,509. In what way would that operate?—In the way that the foreigner would not be competing with us.

14,510. Would he not be competing in his own towns, though he would not be competing with us?—He could not place his goods in this country at the same price if he had to pay duty.

14,511. Therefore you think that you might benefit to the extent of the business orders which at present the foreigner executes in this country?—Precisely so.

14,512. Would not it benefit you equally as much if the Government gave you a bounty upon all the paper that you exported from this country?—I do not think that I have considered the question sufficiently to answer it.

14,513. You stated in answer to Mr. Ecroyd that the abolition of the import duty worked a double mischief; is the trade better or worse since the taking off of those duties?—The trade has grown very much larger, and there is much more capital invested in it, but I do not think that individual fortunes have been made so easily as they were before. There were some large fortunes made in the time of the import duty by a few manufacturers.

14,514. But you said that the abolition of the duty enormously developed the trade?—Yes; as I said, a large amount of capital has been invested in the trade.

14,515. Therefore the public got the benefit of the development of the trade and the reduction in the price?—Yes; the one grew from the other.

14,516. (*Mr. Ecroyd.*) I think you draw a distinction, do you not, between the abolition of the excise duty and the abolition of the import duty?—Yes. It is the abolition of the excise duty which has so im-

mensely developed the consumption of paper, and also the number of people who use the article has increased.

14,517. (*Mr. Jackson.*) Surely the abolition of the import duty benefited the consumer if it lowered the price, and therefore a larger number of persons probably were benefited by the abolition of the import duty than were benefited by the abolition of the excise duty?—Yes.

14,518. (*Mr. Jamieson.*) Can you remember the number of machines now in operation under your association?—I have only an approximate return of the number of machines working in the United Kingdom at the present time.

14,519. How far back does that go?—I am unable to give you an estimate of what is the fact of the case for past years.

14,520. You could not say how many there were 10 or 12 years ago?—No.

14,521. There has been an increase, has there not, in that period?—Yes.

14,522. And a material increase?—Yes.

14,523. You said, I think, that large fortunes had been made in the trade at one time?—There were some individually large fortunes made when the trade was a small trade, and they did not have much competition.

14,524. How far back do you take that period?—25 years ago.

14,525. Since then has the trade been in any sense a decaying trade?—No; it cannot be called a decaying trade.

14,526. Has it not been a flourishing trade?—No, I do not think it has.

14,527. Has it extended?—It has enormously extended.

14,528. Has there been much introduction of new persons into the trade, or has the increase been chiefly in the investment of more capital on the part of those who were already engaged in the trade?—I should say that the latter was the case principally; though new mills have been established to a certain extent.

14,529. Some of those persons who made large fortunes 25 years ago have continued to embark those fortunes still in the trade to a large extent?—Yes, I should say so.

14,530. Has that capital been paying at all, do you think?—I should not think it has paid during the last few years.

14,531. What would you fix as the period of depression?—I should say about seven years.

14,532. In what respect?—With respect to profits.

14,533. But the capital has made a return, has it not?—Some years it has not.

14,534. On the average has it made a return?—On the average of the last seven years I should think there has been a small return.

14,535. What would you call a small return in the trade? On the average, whilst the times have been depressed, has it made 5 per cent?—Barely, I should think.

14,536. But the production has increased enormously?—Yes, as the consumption has increased.

14,537. Has there been any holding of stocks in the hands of the manufacturers?—Yes.

14,538. In what class of paper?—In the finer class of papers, writing papers.

14,539. Has there not been a very great increase in the production of writing paper?—Not nearly to the extent that there has been in the other classes.

14,540. What increase of production has taken place has been in printing papers?—Yes.

14,541. Is there any stock of printing papers on hand?—There is a stock.

14,542. But no increase of stock?—Yes, I should think there is.

14,543. Would it be wrong to say that the consumption has equalled the production throughout?—The production has exceeded the consumption.

14,544. Would you say materially?—Yes.

14,545. Has the price fallen in the meantime?—Yes.

*Mr.*  
*G. Chater, jun.*  
26 May 1886.



Mr.  
G. Chater, jun.  
26 May 1886.

14,546. How much per cent?—It has fallen 33 per cent. in seven years.

14,547. From what to what for ordinary printing paper?—It has fallen from 4*d.* to 3*d.*

14,548. That is 25 per cent.?—Yes.

14,549. Where has been the greatest fall?—Hand-made writing paper has fallen?—Not in the same proportion.

14,550. Where has been the great fall?—The great fall has been probably in newspaper papers.

14,551. What has the fall been there?—From 3*d.* to 2*d.* during the last seven years.

14,552. In that period has there not been the introduction of cheap materials in the manufacture; has not wood fibre from Sweden come into the manufacture of the lower class of printing paper?—Yes.

14,553. What effect has that had on the cost of production?—It has materially reduced the cost of production, no doubt.

14,554. So that against the fall of 33½ per cent. we must set off the benefit which has arisen from the introduction of wood fibre and other cheaper materials?—Yes.

14,555. Esparto has fallen materially, has it not?—Yes, it has fallen very much.

14,556. Taking into account these two things, the fall in the cost of esparto, and the increase in the consumption of the poorer fibre, what has been the fall in the cost of the material?—I do not know that I can give you that.

14,557. The material is a very important element, is it not, in paper?—Of course.

14,558. Therefore, any fall of that kind must be regarded as a material element?—The material has fallen, taking it generally, but I am not prepared to say what the per-centage is.

14,559. We may take it then that the paper trade was till 25 years ago a very successful trade?—It was a very small trade.

14,560. But so far it was a very successful trade, and until within the period of seven years it continued to be tolerably successful?—Soon after the abolition of the duty, a transition time took place; it was not so good, and we had some bad years.

14,561. In the last few years, and notably in the last four years, it has been suffering from depression?—Yes.

14,562. But the production has not fallen off?—No, the production has not fallen off.

14,563. But the price has fallen materially, has it not?—Yes.

14,564. And the price of the raw material has fallen, we hardly know how much, but to a considerable extent?—It has fallen.

14,565. Is the depression of the paper trade in any way a very pressing depression just now; as compared with what everybody knows of the iron and other trades is it in any sense suffering from severe depression?—Not in that same sense.

14,566. (*Mr. A. O'Connor.*) I suppose that the increase of the manufacture has been caused on the one hand by the cheaper cost of production, and on the other hand by the extension of the markets?—Yes.

14,567. With regard to the cost of production I presume that the first point which you would take into consideration would be the cost of the materials?—Yes, of the raw material.

14,568. And, secondly, wages?—Yes.

14,569. What would the third be?—The third would be the use of plant.

14,570. And the fourth would be rent?—Yes, and coals, which would come under plant.

14,571. With regard to materials, materials are cheaper, are they not, than they used to be?—Yes.

14,572. And of a more varied kind?—Yes.

14,573. Are not those who are concerned in supplying you with material also suffering from depression of trade?—I should think very much so.

14,574. Would you think it a good thing that there should be a protective duty in order that they might have their trade improved?—I should like my own trade protected, but not my raw material. That is, of course, the answer which every manufacturer would give if you asked him the question in that way.

14,575. With regard to materials for paper-making, do more now come from abroad than used to be the case?—Yes, enormously; all the raw fibre is from abroad.

14,576. But the profits of those who import the materials have fallen just as the profits of all industries have fallen, have they not?—I do not know that they have, because the new fibres did not exist in former years. We depended 25 years ago only on rags.

14,577. Is not there a considerable importation of foreign rags?—There is an importation of foreign rags.

14,578. And the profit on that importation is less than it used to be?—The price is lower.

14,579. With regard to plant, is not the cost of plant less than it used to be?—Yes.

14,580. And you have already told us that wages have been reduced?—Not materially reduced.

14,581. But they have been reduced. The movements have been rather downwards than upwards during the last seven years?—I do not think I should like to repeat that answer quite in that sense. We may take it that wages have been stationary, with rather a downward than an upward tendency. I was not speaking so much of skilled wages as of wages generally. Our unskilled wages we have perhaps been able to reduce.

14,582. Is it not the fact that in the manufacture of printing paper you employ female labour?—I think the tendency in the last few years is to diminish the number of female hands employed.

14,583. I will take it for the last 20 years. Is this statement in the Report of the Census Commissioners correct:—"The proportion of females to 100 males employed in the paper manufacture in 1871 was 65, but in 1881 it was 80?"—I should say that that would be about the proportion during that interval.

14,584. I suppose you only give for wages just what you find the market compels you to give?—Exactly.

14,585. You do not conduct your business on philanthropic but on commercial principles?—Exactly so.

14,586. While wages have not increased, while plant is cheaper, and while materials are cheaper, is there any reduction in the rent?—No.

14,587. With regard to the extension of markets, what are the principal channels of consumption in the paper trade?—Largely the newspaper press for printing.

14,588. I suppose that the furniture of houses is another?—Yes; but that is a branch of trade which personally I am not acquainted with.

14,589. I only wish to indicate the chief channels of consumption?—I cannot give you any opinion upon that. Book publishing comes after newspapers and educational purposes.

14,590. There is a great consumption of wall papers for houses. Is there much paper consumed in dress?—No.

14,591. What are the other things that paper is used for?—It is used for all correspondence, of course.

14,592. Is not a great deal of paper used for making boxes?—Yes.

14,593. What are the other channels?—Wrapping purposes. In all trades paper is used for wrapping purposes.

14,594. In which of those channels do you find foreign competition most keen?—In the newspaper press paper, and in box-making, and to a certain extent in writing paper.

14,595. First of all, with regard to the newspaper branch, is there any particular reason which you would assign for the more successful foreign competition in that

branch than in others?—It is partly owing to the fact that the foreigners, having been protected, have been enabled to develop their works largely, and to place out their surplus production in our market and in the markets which have been accustomed to look to us for their supply. Also, no doubt, the introduction of wood in Sweden has given the Swedes perhaps an advantage. In fact they did not send paper here until the introduction of wood as a paper-making material was developed.

14,596. Is the competition from Sweden more severe than from any other country?—I should think Germany and Sweden run about together.

14,597. (*Sir J. P. Corry.*) Is Norway not included in Sweden?—Yes, but the works are principally in Sweden; I put them together.

14,598. (*Mr. A. O'Connor.*) Is there not a protection duty in Germany upon the materials from which paper is made?—I think not; the raw material is not protected.

14,599. And are they able successfully to compete with you?—Yes.

14,600. Do you think that if the raw material of which paper is made were taxed in Germany they would not be able to compete?—Certainly not.

MR. FREDERICK PRATT BARLOW examined.

14,608. (*Chairman.*) Will you tell us what branch of the paper trade you are yourself engaged in?—In the manufacture of printing paper principally.

14,609. Where?—In Hertfordshire. I am interested in mills in the North also.

14,610. You have heard the evidence which has been given by Mr. Evans and Mr. Chater; have you any points upon which you would like to supplement or to correct the evidence which has been given?—I should like to supplement it by giving an account of my tour this last fortnight in Germany. This Easter some eminent Scotch paper-makers and I went across in order to try and discover the reason of all this foreign competition, and why the Germans were able to compete with us so successfully. We visited 17 mills on the Rhine and in Saxony and Bohemia. We were shown everything, so far as we could see. The papers that we saw being made, and which were sold in Germany itself, appeared to be fetching very good prices indeed; I mean prices which we should consider good for similar papers in England. But in every mill we saw them making papers for the English market, and these papers were being shipped to London, or to India, or to the colonies, at prices far below the prices at which the same papers were selling in Germany and in Bohemia. They seemed to look upon England, as one man expressed to me, as a sort of rubbish heap, on to which he could shoot all his surplus products by getting rid of so much a week at cost price, or a little below. He explained that he was able to keep down the expenses of the mill, and so make a handsome profit on the paper that he sold in his own market, where it could not be disturbed at all by English competition. There was one particular paper which we were shown that was selling in Berlin for 3d., and the same paper was selling in London for 2d., notwithstanding its coming from the furthest end of Saxony, by rail and river, and consequently being transhipped no less than three times. At one mill—I was not at that particular mill, they told my friend with glee that they were making English post-cards for the English Government; or at least, for a contractor to the English Government. The wages we found to be about half what we should pay for similar labour in England, that is to say, a skilled workman was getting 3s. 6d. a day against 6s.; but we agreed that he was not doing the same amount of work for the money. He was working apparently longer hours, but not in the way that we should tolerate in England. Materials seemed to be about the same in both countries, our coals and chemicals being cheaper,

14,601. What is the rate of wages given to women in paper mills generally?—There are so many branches that it is difficult to answer that question. Those engaged in skilled labour would get 10s. a week, and any person sorting esparto grass would get from 5s. to 6s.

14,602. Where are your own mills?—One is in Flintshire, and the other in Buckinghamshire.

14,603. In Flintshire do you make brown paper or whitey-brown paper?—No, printing paper.

14,604. (*Mr. Palgrave.*) You spoke of the trade with South America, did you not, and that there was a diminution in it?—I am not prepared to say that there is a diminution, but there is an increased competition.

14,605. From what countries?—From the United States and also from Germany.

14,606. You have no remark to make with respect to the fall in the exchange in silver?—No, except that it affects the inhabitants of those countries in their dealings with every country. They have to import all their manufactured articles.

14,607. Not particularly your own articles?—No, not particularly paper.

and their wood and straw possibly were cheaper, but not to any great extent.

14,611. Were they using a larger proportion of rags than we do?—Not in the printing paper mills generally. We did not get into any of the fine mills in Austria which compete with us with their writing papers, where rags are chiefly used. They were using hardly any rags at all in most of the mills that we went into.

14,612. Were they making an inferior class of paper?—It is a class of paper which competes largely with the paper which is extensively made in England for newspapers and cheap literature. This is a class of trade of great importance to English paper-makers. The rates of carriage we found from Bohemia to London to be about the same as from Aberdeen to London, and from Saxony we found it about the same as from Edinburgh to London. From Belgium to London it was cheaper probably than from any centre of paper-making in England.

14,613. (*Mr. A. O'Connor.*) Is that railway carriage or water carriage?—Partly rail and partly water by the river Elbe to Hamburg and thence by sea to London. In Saxony the railways belong to the Government, and we were informed that they grant special rates to exporters.

14,614. (*Chairman.*) Were the manufactories which you visited on the same scale as those in England, or were they larger or smaller with regard to the number of hands there to do the work?—I should say that an Englishman would get a great deal more out of the same plant, appliances, and labour.

14,615. Were they on a larger scale?—No, I do not think they were on a larger scale.

14,616. About what number of hands were employed?—We generally reckon by the number of paper machines. We found in the mills that we visited from two to five machines. Much as we should expect to find in a similar number of mills in England.

14,617. What was the size of the machine?—The machines varied from 60 inches up to 120 in breadth. Some manufacturers seemed to keep one or two of their machines going entirely for the English market. All through, as far as we could see, they tried to keep their output always up to the maximum. It makes all the difference to the profit when the utmost is obtained out of the plant in the course of a week.

14,618. What do you consider is the part of their system which affects us most,—the export duty on the materials, or the protective duty on the finished article?—The protective duty on the finished article, certainly.

Mr.  
G. Chater jun.  
26 May 1886.

Mr.  
F. P. Barlow.

Mr.  
F. P. Barlow.  
26 May 1886.

14,619. How would you propose to meet that?—Personally I should like to see a countervailing duty of the same amount.

14,620. What would be the effect of that upon this country in the way of raising the prices; would it raise the prices to the consumer?—No doubt to a certain extent it would.

14,621. Would it diminish the demand?—It is of course very difficult to say.

14,622. To what extent do you think that you could impose a duty without seriously affecting the demand?—In Germany the protective duty is equivalent to a halfpenny a lb. on the paper; that is an enormous proportion on many kinds of paper; it amounts to 33 per cent. on the cheapest papers that are exported from Germany.

14,623. Do you propose that we should impose a duty of a similar amount?—It seems to me to be entitled to consideration; the per-centage is certainly a large one.

14,624. Then you do not believe that it would do you any good?—Even a 10 per cent. duty would be all to the good, so far as we are concerned.

14,625. (*Mr. Jackson.*) But would it stop there?—We should get better prices all round, pro tanto, no doubt, and probably we should very soon make them withdraw their protective duty.

14,626. (*Mr. Palgrave.*) Would not the Germans in that case get also a higher profit?—I think the Germans would smother themselves if they were not able to get rid of their surplus.

14,627. (*Chairman.*) Is there any other point in connexion with your visit to Germany which you would like to mention?—No; I think that is all that we noticed. We agreed that we were not the least bit afraid of free competition or free trade, but it was this protective duty which was killing us in detail and gradually destroying our industry.

14,628. Have you any information or any statistics as to our trade with the colonies or with India?—I know something of our Indian trade. We have had a house in Calcutta for the last five or six years. I have been myself three or four times to India, and have seen the growth of paper mills there which has been going on very rapidly in the last five or six years.

14,629. What class of paper do they produce?—They are beginning to produce this year very good printing paper of the class of our cheap newspapers; a strong paper at a low rate.

14,630. (*Mr. Jackson.*) Could you make it at the same price?—Yes, but the carriage and packing adds greatly to the cost.

14,631. (*Chairman.*) Does it appear that the Indian manufacturer is likely to compete seriously with you?—Not on this ground at all. I think that in India he will be a very formidable competitor.

14,632. With regard to other Eastern nations, is India likely to have any export trade?—Not for many years, I should imagine. The Germans export largely to India through English houses, but there are German houses out there which also import directly now.

14,633. What material do they chiefly use in India?—A grass they call munj grass, which grows at Lucknow and in other parts of India.

14,634. Is it of as good quality as the esparto?—Hardly. It makes very good paper. Plantain fibre and bamboo fibre are also used; in fact, India is full of fibres.

14,635. (*Sir J. P. Corry.*) Is jute at all used?—Jute cuttings, I believe, are used to a very considerable extent.

14,636. (*Chairman.*) Is there a very considerable increase in the number of objects for which paper is employed?—I know of nothing fresh of late years.

14,637. (*Mr. Sclater Booth.*) Is it not used for roofs?—Yes, to some extent.

14,638. Does Japan make everything of paper?—It makes some beautiful paper.

14,639. They apply paper to all sorts of purposes, do they not?—Yes, to windows and many domestic purposes.

14,640. What material do they use?—Principally the paper mulberry and bamboo, also rags.

14,641. Do you know anything of the Chinese; do they produce any?—They do not produce very much of any great importance, but I have been over several mills in Japan where they have now regular machines, such as we have, besides their native hand-made factories.

14,642. (*Mr. Aird.*) Do you consider that the machinery in Germany is equal to that in use in this country?—Not the heavy machinery; the light machinery we thought was very nicely finished.

14,643. More so than in England?—Yes. I should fancy that more labour had been bestowed upon the finish of it.

14,644. Do you think that that is at all due to the greater technical knowledge which the German workmen has as regards the manufacture and application of machinery?—We rather ascribed it to cheaper labour. They could afford to lavish more labour on it upon the polishing up of parts, and so on. We have imported some small pieces of machinery for our own works from Germany of late years, very highly finished.

14,645. Upon the ground of cost?—Upon the ground of excellence of design and workmanship, and of cheapness too.

14,646. As regards the labour generally in the paper mills in Germany, did you form any opinion as to how far that could be compared with the labour in England?—I do not think it was so smart; we did not think there was the same briskness about the work done in a German mill as there was in our own factories; and although their hours were much longer, and their wages less, they did not seem to do so much for them; they had, in fact, three or four men to one machine where we should only have two or three at the outside.

14,647. Did you make any inquiries to enable you to form an opinion as to whether the system of the labour market in Germany without trades unions was superior or otherwise to the labour market in this country?—No, we did not make any inquiries with regard to that.

14,648. (*Mr. Drummond.*) Do you, as a matter of fact, know whether there are any trades unions there?—We did not make any inquiry into that.

14,649. The proportion of skilled to unskilled labour in Germany would be about the same as in England, would it not?—I should imagine so.

14,650. The general mode of production in Germany is about the same as in England, except that there are a larger number of people employed?—Yes.

14,651. Then, as a matter of fact, the result of your visit was to convince you that you had nothing to fear from the extension of foreign competition, except so far as protective duties are concerned?—Yes, that is so.

14,652. (*Mr. Ecroyd.*) You told us that you observed on the continent the effect of the protective system constituting a bounty, and in fact that the material produced for England and the colonies was much cheaper than that produced for the home market?—Yes.

14,653. And that the effect in Germany especially of their protective system was to give them a more complete command of their own home trade?—To give them the entire command of their own home trade, no foreigner could possibly compete.

14,654. Has the effect of that been to enable them to enter upon production upon a larger and more economic scale?—No doubt that is what enabled them or induced them to begin the large works which they possess at the present time.

14,655. I am now dealing with the general effect of protection in Germany. The effect of that has been to enable them, in consequence of their securing a

steady market, greatly to increase the field of their productive skill, and of course to improve and economise the production?—No doubt.

14,656. And that, therefore, tends to make them stronger in international competition?—Yes.

14,657. Might we not assume that the same effect could be produced here; might we not assume that if the paper trade of this country were placed in secure possession of the home market by an adequate import duty, the effect would be to give more constant employment, and an assurance of more constant employment, to those engaged in the trade?—That is what we maintain.

14,658. It would therefore increase the magnitude of our operations and the economy of our production?—I think so.

14,659. Under those circumstances is it not difficult to see how the consumer in this country would be prejudiced; would he not gain as much from the increased economy of production on the part of the English manufacturers as he would lose or might expect to lose by the imposition of a small protective duty?—I should imagine that he might reckon on that.

14,660. Did you happen to make any inquiry whilst you were in Germany upon this question, whether the price of a given quality of paper in Germany itself has been enhanced or not by their protective system?—No, we did not ask that question.

14,661. You do not know whether the German consumer has really been prejudiced at all?—No. I am told that paper is getting very much cheaper; but that may be from the same causes which operate in England, from the cheaper material used, such as wood and the large use of straw, and so on.

14,662. We have been told that the greatest fall during the past seven years has taken place in the newspaper qualities of paper, that there has been a fall of from 3*d.* to 2*d.* a lb.; is it the fact that during the period of that fall no reduction whatever has taken place in the price of those newspapers to what may be called the consumer?—I do not think so.

14,663. Then the consumer has not benefited by that fall?—I should not think so, so far as the press is concerned.

14,664. But the people employed in the manufacture, whether capitalists or workmen, have suffered in consequence of it?—Yes, certainly.

14,665. And that suffering has affected a larger proportion of the population than any benefit has reached?—Yes; but of course the manufacturer has had cheaper material to work with, although he has paid the same wages.

14,666. I am speaking not of that, but I am speaking of the effect of a fall in price, which, from the evidence we have had already, has been to extinguish the profits of the manufacturer to a large extent; that is the case, is it not?—No doubt.

14,667. And also to reduce wages to a certain extent?—Yes.

14,668. The question which I really wanted to put was this: whether the fact is not that the consumer has obtained no benefit, while the manufacturer and his operatives have sustained an injury, and so the newspaper proprietors alone have benefited by the change?—No doubt cheap educational books would not have been possible unless there had been a fall in the price of paper. I suppose the newspaper proprietors have benefited by the great consumption of newspapers.

14,669. (*Mr. Jackson.*) I think you told us that in Germany the price was considerably higher than in London, and I think you told us that that which they are selling at Berlin at 3*d.* is sold in London at 2*d.*?—Yes, that is one case.

14,670. Therefore the consumer in this country, if he gets his material 33 per cent. less than the other, would surely benefit by it?—Yes, that would be the case with regard to the newspapers, no doubt.

14,671. And relatively the same principle would apply all round?—Yes.

14,672. I think you told us that the duty was  $\frac{1}{4}$ *d.* a lb.—Yes, just about that; it is about 5*l.* a ton.

14,673. Would the paper which was sold in this country for 2*d.* cost about 2*d.* to produce?—Similar paper would have to come down to the same price.

14,674. Similar paper is manufactured here, I suppose?—Yes.

14,675. Costing about 2*d.* here?—Yes.

14,676. Why cannot that paper be sent to Berlin and sold for 3*d.*?—I presume that the sale in Berlin for that particular paper would be small in the first place.

14,677. Did I not understand you to say that they import no paper whatever into Germany?—They import some kinds of writing paper, I think.

14,678. Notwithstanding the duty?—Yes, notwithstanding the duty. There is a fashion for English writing paper and envelopes on the Continent; it is only those papers which fashion chooses to pay for that are imported by them.

14,679. You spoke about having imported some machinery from Germany. I suppose you imported that machinery because it was either cheaper or better than you could get in this country?—Yes.

14,680. Would it have been an advantage to you that there should have been a large import duty on machinery in that case?—Not on that particular machinery, certainly.

14,681. You spoke about the cost of labour. I did not quite understand you whether the cost, say, per lb. or whatever the way of calculating it is, was less in Germany than here; you told us that the weekly wages were less, but you thought that the men did less work; were you able to form an opinion as to whether the cost of paper per lb. in labour was higher or lower than here?—We could not quite get at that. In one or two of the mills we came to the conclusion that it was about the same.

14,682. I think you told us that they afforded you pretty good facilities for seeing them?—Yes; they showed us everything at once on our sending in our cards.

14,683. (*Mr. A. O'Connor.*) Did you extend your tour to Silesia and Saxony?—We went to Saxony and through a part of Silesia into Bohemia.

14,684. Is it the fact that within recent years as many as 18 pulp mills were erected in Saxony alone, as appears by the consul's report?—I did not hear that.

14,685. Then you are not able to say whether this report of the consul in Germany is correct?—No. There were a great many joint stock paper companies, and perhaps these may be the mills referred to.

14,686. I asked the previous witness whether he could allege any particular reason why Germany was able to compete in printing papers with this country, and he said he could not; is it a fact that in Germany they have recently taken to manufacturing a great deal of wood and straw pulp which is called cellulose?—They make it largely now; they are starting mills all over the country for the manufacture of this cellulose.

14,687. In the preparation of cellulose do they not use a great deal of caustic soda, lime, and alum?—Yes; they boil the wood in sulphurous acid. Sulphite of lime is, I think, the chemical principally employed. Mitscherlich's process appeared to be most in favour.

14,688. Is it not also true that the price of the chemicals used in those processes has a considerable influence upon the cost of the price of paper?—Of course.

14,689. And do not the Germans complain of the import duties on those chemicals as being a serious burden on their manufacture?—No. We asked them that question, and they did seem to consider it a very serious matter.

*Mr.*  
*F. P. Barlow.*  
26 May 1886.

Mr.  
F. P. Barlow.  
26 May 1886.

14,690. Then you would not agree with this consul's report in which he says that those chemicals would have a very sensible influence upon the cost of the production of paper, and that the taxing of them is a positive disadvantage, so much so that the work-people mix chloride of lime, alum, caustic soda, and ultramarine?—We did not hear them complain of that. All about Dresden there are chemical factories on a large scale now.

14,691. Do not they utilise water power a great deal in Germany where they have it?—Yes, to a very large extent on all the large rivers and streams.

14,692. More than they do here?—Yes, the rivers are larger.

14,693. So far then the cost of production being lower in Germany than here is due to natural causes?—Yes, to some extent, of course.

14,694. And also to the greater energy of the Germans in making use of those new materials, wood, straw, and cellulose?—I do not think that they are more energetic than we are in seizing on any new materials.

14,695. Do you see any reason why we should not adopt those processes in this country?—You will remember that those manufactories of cellulose and mechanical wood pulp are situated in the middle of forests; we have no forests in England to compare with them.

14,696. And they get the wood cheap?—Yes.

14,697. That again is a natural cause?—Precisely so. If we started such a work we must start it in Norway or Sweden.

14,698. I want to bring out this, that the fact that they have been so able to compete successfully in the manufacture of this paper which is used in printing is due to natural causes to a great extent?—They have some advantages, but I think they are counterbalanced by other advantages which we possess. So we thought when we were on this particular tour.

14,699. But those natural advantages have had a material effect upon the result?—I do not know which way the balance lies.

14,700. I mean with regard to themselves?—They have advantages in some ways, and they have disadvantages in others.

14,701. But they have very considerable advantages in the shape of getting wood cheap, and having very considerable water power?—Yes, so far as that goes, it is so.

14,702. As regards things which are not of native product, such as chemicals, they are under disadvantages from the import duties?—Yes, and from the carriage.

14,703. What is the proportion of female labour that they utilise in Germany in the paper manufacture?—I should say that the proportion is very much the same as in England.

14,704. Do you find in the neutral markets that paper imported from Germany is made to appear as British paper by the imitation of English water-marks? Can you speak as to that?—That would only apply to writing paper, and I could not speak positively as to that. It is a question which is now arousing public attention to a very large extent. I believe that the foreigners do imitate the English water-marks and the English labels too.

14,705. Would you say that it is only in the lower class of papers that the Germans compete successfully in neutral markets?—Only in the lower class.

14,706. With regard to the higher class of writing paper, at any rate, the movement of trade is rather in the shape of importing it into Germany from England?—Austrian writing paper is largely exported both to India and to our Colonies and to England.

14,707. But there is an export into Germany, the bulk of what is done being in the best paper, for which there is a demand by reason of the quality, and also by a statute which prescribes the use of English paper for writing purposes?—Yes, that is so, but the trade is not large.

14,708. (Mr. Palgrave.) Am I right in understanding that you consider that the cost of wages is

much the same in Germany as in this country?—We imagined so. We got returns from two mills as to the cost of wages per week per ton of paper, and if they were reliable they are very much the same as ours. We thought that, although the labour was cheaper, there were many more men about the mill than we should employ for doing a similar amount of work.

14,709. You think that it came to much about the same thing?—We imagine that such is the case.

14,710. (Mr. Jamieson.) Is it not the fact that the use of wood pulp is a comparatively modern invention?—Yes; the manufacture of this cellulose is quite modern. Mechanical wood has been used for the last 10 or 12 years.

14,711. Is not the chief manufacture of cellulose in Norway and Sweden?—Yes; but they are starting mills all over Germany.

14,712. (Mr. A. O'Connor.) And in America also?—I do not think that they manufacture much cellulose in America; they have started to do so lately.

14,713. (Mr. Jamieson.) With regard to the works in Norway and Sweden, have they not been materially started by British capital and the enterprise of British paper-makers?—I should say that in Norway and Sweden it has been so certainly.

14,714. So that the enterprise of the British paper-makers would be at least on a par with that of the Germans in that respect?—Certainly there is no lack of enterprise in the British paper-makers.

14,715. With regard to the fibres which are used in India, and the chemicals which are used there in the production of paper, are those chemicals more or less from the Tyne?—Yes; caustic soda and bleach.

14,716. Are there manufactories of those chemicals in India?—No, not of chemicals, to my knowledge.

14,717. Are there the materials there for the manufacture?—I do not think so.

14,718. Then a great increase of the manufacture of paper in India, therefore, would be accompanied by a material demand for chemicals chiefly from the Tyne, would it not?—I believe it would.

14,719. And, in that respect, British capital would derive an advantage?—The British capital invested in the chemical works would not suffer, as the trade which was lost in England would be done in India.

14,720. With regard to what you said in answer to Mr. Ecroyd as to the newspapers, has there not been an enormous increase recently in the consumption of cheap newspaper paper?—I believe there has been an enormous increase.

14,721. Has there not been at the same time a very large increase in cheap newspapers?—Yes.

14,722. Do not you think that the public have got the benefit of the reduction of the paper duty, not by reducing paper below a 1d. or  $\frac{1}{2}$ d., but by their getting a greater supply of newspapers?—No doubt they have in that way.

14,723. (Mr. A. O'Connor.) Has there been anything like a displacement of the industry of the manufacture of paper from England to Scotland, or northwards generally?—I think that the manufacturers have a tendency to congregate on the coalfields wherever they may be. On the Scotch coalfields there are large centres of paper-making. In Durham and in the North there is another centre, and in Wales now there is another.

14,724. Would it be correct to say that whilst the manufacture of paper is rather falling off in England, or has not very much increased, it has increased in Scotland?—I should say that it has increased not only in Scotland but in Wales; in fact, it has increased wherever the coalfields happen to be.

14,725. (Mr. Jamieson.) It has increased very much in Lancashire of late, has it not?—Yes.

14,726. So that naturally coal is an important element in the cost?—We always used to consider that it took four tons of coal to make a ton of paper.

14,727. (Mr. Ecroyd.) Just one question upon the answer which you gave just now about English paper; is it not the fact that a halfpenny paper only contains

one half of the full weight of paper that a 1d. paper ordinarily contains?—I should think so.

14,728. Therefore if the weight of the paper is only half, the public get no advantage?—No, because it is only half the size.

14,729. (*Mr. Drummond.*) The alteration in the mode of printing by the dry process has been on the increase; does not that require a totally different kind of paper from what was formerly used?—It requires paper more carefully manufactured.

14,730. Is it made from different material?—No, from the same material, but very much more carefully put together; it is calendered afterwards.

14,731. Then the cost of the production of it is increased, is it not?—It is more expensive, certainly.

14,732. (*Mr. Lubbock.*) Did I understand you to say that the working man in Germany receives less money per day than in England, but the result of the cost of labour per ton is about the same?—That is what we imagined.

*Mr.  
F. P. Barlow.  
26 May 1886.*

The witness withdrew.

Adjourned.

## THIRTY-SIXTH DAY.

Wednesday, 2nd June 1886.

PRESENTS.

THE RIGHT HON. THE EARL OF IDDESLEIGH, G.C.B., IN THE CHAIR.

EARL OF DUNRAVEN.  
RIGHT HON. G. SCLATER-BOOTH, M.P.  
MR. J. AIRD.  
SIR J. ALLPORT.  
MR. T. BIRTWHISTLE.  
MR. L. L. COHEN, M.P.  
SIR J. P. CORRY, M.P.  
MR. C. J. DRUMMOND.  
MR. H. H. GIBBS.

MR. W. H. HOULDSWORTH, M.P.  
MR. G. A. JAMIESON.  
MR. P. A. MUNTZ, M.P.  
MR. A. O'CONNOR, M.P.  
MR. R. H. INGLIS PALGRAVE, F.R.S.  
MR. C. M. PALMER, M.P.  
MR. W. PEARCE, M.P.  
PROFESSOR BONAMY PRICE.

MR. G. H. MURRAY, *Secretary.*  
MR. T. H. ELLIOTT, *Assistant Secretary.*

Mr. ROBERT KNIGHT examined.

*Mr. R. Knight.*

14,733. (*Chairman.*) I think you are the General Secretary to the Boiler Makers' and Iron Shipbuilders Society?—Yes.

14,734. Does that society apply to the whole of the kingdom, or does it apply to the Tyne or any particular port?—To the United Kingdom.

14,735. What number of members have you?—28,000.

14,736. Are they principally employed in the North of England or Scotland, or where are they employed?—They are employed all over the kingdom where shipbuilding is done and boiler-making.

14,737. Are the head-quarters at Newcastle?—Yes, at Newcastle-on-Tyne.

14,738. What do you say with regard to the condition of the industry in which you are interested; is it in a flourishing or in a depressed condition?—It is in a most deplorable condition.

14,739. Would you state in what respects it is in a bad position?—The work has fallen off to that extent that we have fully one-third of our members who are usually engaged in shipbuilding out of employment at the present time.

14,740. Could you give the Commission any figures with regard to that; have you an account of the number of members out of employment at different periods?—I have; I hand in a statement to your Lordship showing that the number last year out of employment was 3,927 in January, 6,727 in June, and 9,046 in December, showing an average of 6,681 members out of employment during the whole year, being 23½ per cent. of the Society. (*See Appendix A.*)

14,741. (*Mr. Palmer.*) Have you got it down to a later date since the formation of this Commission?—Yes, but not with me; but there is a return up to the end of March, showing 27 per cent. of our members out of employment, as compared with 25 per cent. in December of last year.

14,742. Then it is still progressing?—It is still falling off until, at the close of March, we have 27 per cent. of our members out of employ.

14,743. (*Chairman.*) These tables have been drawn out carefully, and I need not take you through all of them now in evidence; but you have put them in, and I suppose we may receive them as your statement?—Yes.

14,744. What are the causes to which you attribute the present depression, and the depressions which have from time to time succeeded one another?—There is not the slight doubt, with reference to shipbuilding, but what it has been over-production. There is no doubt that up to the end of 1879 and 1880 there was a great want of vessels, and then, on account of the large profit derived from the shipping industry, a large number of people invested their money in shipbuilding, that the tonnage launched in 12 months was nearly double the previous year.

14,745. During the years 1881, 1882, and 1883, it was the case, was it not, that ships could not be built quickly enough?—Quite so.

14,746. But the result was that there was an over-production, and that many have been left idle?—Yes.

14,747. Have you a table showing a record of the tonnage reached?—Yes; in 1879 the gross tonnage was 565,000 tons; in 1880, 796,221; in 1881, 1,013,208; in 1882, 1,240,824; in 1883, 1,256,829; in 1884 it was only 741,315; and in 1885 only 540,282.

14,748. Is that for the whole of 1885?—Yes.

14,749. Does that apply to the whole country?—It applies to the whole country. You see by these figures that the drop was very considerable from 1883.

14,750. Amongst the points to which you wish to draw attention is the number of persons flocking into



*Mr. R. Knight.* the towns; do you mean by that that the supply of labour is in excess?—No; the want of labour in the country districts has driven a large number of men into the towns.

2 June 1886.

14,751. What you mean is, that the effect of that has been to bring a large number of labourers into the towns?—Yes, I am sorry to say very much so.

14,752. And the supply of labour has been thereby increased?—Yes.

14,753. Those persons who come into the towns are not, I presume, accustomed to anything but agricultural labour?—Principally that is so.

14,754. Have they produced a bad effect upon the labour market?—Very.

14,755. What is the remedy to which you look?—The principal remedy, or one of the remedies, which I should suggest, would be the taking away of the large surplus labour that we have to our Colonies, and it is possible to do so, especially the ones from the agricultural districts. It would considerably assist the labour market if that was done. Some few years ago a large number of small farms were turned into large farms, and on account of the breaking up of small farms and throwing them into large farms, there was the displacement of a large number of hands; not only the small farmers themselves, but the people were driven away from their homes, some driven into the towns, and others driven to emigrate, and also the labouring classes of men, such as wheelwrights and mechanics of different kinds, were driven from the country villages into the towns as a rule.

14,756. Is there much emigration amongst those who are engaged in your trades?—Not a large amount. Shipbuilding is principally done in the United Kingdom, as you are well aware. In the boiler-making line, with which I am connected, also which belongs to the same society, we have very often a demand for our men to go to America and Australia, and to the different Colonies.

14,757. Have they found employment there?—Yes.

14,758. And have many of their friends been following them?—Yes, very often.

14,759. Have you looked at all into the comparative progress of France and Germany, and other countries, as compared with our own shipbuilding?—Yes, I have.

14,760. What has been the result?—So far as competition with England is concerned there is practically none.

14,761. Have we got it all our own way?—Quite so. I may say that two years ago we sent a Commission to France to inquire into the shipbuilding trade there. It was reported that on account of the bonus system which had been introduced by the French Government, our employers in England could not compete in some cases with the French builders, and so we sent a Commission to France to inquire into it. We spent about 200*l.* on the matter, and the Report of that Commission I have here with me. They went out in September 1884, and the Report proved that there was very little doing in France at the time, comparatively speaking.

14,762. (*Mr. Pearce.*) What ports did they go to in France?—They went to Havre, Rouen, St. Nazaire, and Bordeaux. I think they went to the whole of the ports in France.

14,763. There was plenty of work, was there not, going on at St. Nazaire at that time?—The Report says that there were only two vessels at that time building. Perhaps I may be allowed to deliver this Report.

(*The same was delivered in, and is as follows*):—

“MISSION TO FRANCE.

“Sunderland, November 6th, 1884.

“WORTHY GENERAL SECRETARY,

“In compliance with the Council's decision, as conveyed to us in your letter of instruction, we, the undersigned, accompanied by an interpreter, proceeded on our mission to France to ascertain, as far as possible,

by a personal visit to that country, the present condition of the shipbuilding and engineering trades, and what prospects were before us for securing employment for our idle men. We may here remark that, previous to leaving home, a large number of our members fully expected that, on our arrival in France, we should find shipyard labour in good demand. This expectation was aroused in consequence of alleged overtures having been made by a firm of shipbuilders in Bordeaux to a member of ours in Sunderland, expressing their desire to engage him as manager or contractor for a new yard about commencing, that would in a very short space of time require the services of at least 300 of our men. Plans, tracings, &c., likewise quotations of prices for the principal parts of the work, having passed between them, we were given to understand that the engagement was all but completed. At the same time we were authoritatively informed by the member in question that several yards on the west and north-west coast of France were then in course of preparation, and if a resolute attempt was made by the officials of the society, we could not fail to find immediate work for some thousands of our unemployed.

“With a strong desire on our part to do all in our power to secure that result, we left Sunderland on Monday, September 29th. On our arrival at Calais we ascertained there was no occasion to delay there, for, although great activity is apparent in the construction of new docks and fortifications, nothing is as yet intended in the direction of shipbuilding. We therefore resolved to pass the night in Calais and proceed the next day to Havre, which we did, being a distance of about 240 miles; but, in consequence of many stoppages on the way, it took us 16 hours to travel, not reaching Havre till midnight.

“The following morning, after making every inquiry, we started in search of the shipyards, which we found to be two in number, and at a great distance apart, being at opposite ends of the town. The nearest to us, Messrs. Normaud and Co., was the first visited. This firm is at present engaged on six torpedoes for the French Government, four of them standing in the yard almost completed, the other two in the earlier stages of construction. We had the good fortune to meet Mr. Normaud himself, who treated us with every civility, and indeed the same must be said of all the gentlemen we conversed with during our travels through the country. Mr. Normaud, who can speak English very fluently, candidly informed us that shipbuilding and engineering is at present very slack in France, and we could make quite sure, whenever these trades were dull in England, there was not much doing in any other part of the world. For himself, with the exception of the torpedoes and their engines, he had nothing else in hand in the iron and steel department, and thereof out of his power to engage any extra men. If hereafter it ever lay in his power to do anything in this direction he would most gladly apply to our society in England to send him men. From Messrs. Normaud's we went to Messrs. Marinasse and Co., where we found a similar state of trade, but a much larger yard. This firm, if they could secure orders, have every facility for building vessels equal to the largest afloat. They have four large torpedoes on the stocks, with another or two in preparation; but the work in hand is not near sufficient to keep them fully employed, consequently a large number of their men had to be discharged. The manager promised on the earliest opportunity after trade had revived, and his old hands were back at work, to secure the services of some English workmen, as he considered it would have a tendency to infuse greater energy into the business. When that time came he would apply to our society. He also advised us not to leave the town without calling at the engine-works and having an interview with the chief engineer and director, as he could not tell but that they might require the services of some boiler-makers. We managed to reach the engine-works, which are some considerable distance from the shipyard, about 4 o'clock the same afternoon, and we were very fortunate in seeing both gentlemen. After

fully explaining the object of our visit, we were informed that they would be very happy to assist us in the matter, but as trade was so bad nothing could be done at present, but they would keep the question fully before them. This ended our visitations in Havre, and we left for Rouen by an early train the next morning.

"There is but one shipyard at Rouen, viz., Messrs. Claparade and Sons, which is very suitably laid out, and, like the others, are building torpedoes, but in addition are just finishing two merchant steamers. On the first day of our visit we could not see the heads of the firm, but were very courteously shown round the yard by the master-builder and another official, the latter being an Englishman reared in France, who has the double advantage of speaking both languages. After explaining their mode of working, we were requested to call again and see Mr. Claparade himself, as he had often expressed a desire to have English workmen, riveters especially. The next day we had the pleasure of speaking to Mr. Claparade, junior, and during the conversation was informed that the firm were estimating for some vessels, which they had good prospects of getting; if so, he would want about 12 squads of our riveters, and would send us the order at a very early date, as he was very anxious to have some of our workmen. This interview took place on the Sunday, and early the next day we started for Paris, as being the most direct route to St. Nazaire, where we arrived, by travelling all night, at 9 o'clock on Tuesday morning, only staying in Paris a few hours waiting for our train.

"There are two very fine shipyards in St. Nazaire. One is principally confined to Government work, where foreigners are never employed, the other is the property of the Transatlantic Steamship Company, and could easily be made capable of turning out as much work as some of our best yards. We were told that the place had been idle a long time, and on its recommencing in the early part of this year, the director, Mr. Andrade, fully intended that the whole of the shipbuilding should be given to Englishmen. Communications were opened with a certain party in this country with that object in view, and through a want of knowledge on their part of the proper method of working an iron shipyard, contractors were engaged to go over and take the whole of the work, and from that day forth the place became sealed up to everybody else. The conduct of these members is very censurable, in acting against both employer's and society's interests. At present there are ten or eleven English platers employed on some inside work, and for which they have also contracted; but we hope they have learnt a lesson by what has previously taken place, and do all they can to cement a good feeling between themselves and their present employers, and at the same time embrace every opportunity to increase the number of their own countrymen, as we are sorry to say that there are plenty of good workmen in Great Britain who cannot get employment, and who would be willing to go out. There are two very fine ships, fully 500 feet long, standing in frame, for although a large squad of French platers have been working for the past three months on one of the shells, the bottom is not yet covered, and unless they press forward with more energy than appears at present, they will take a couple of years to complete. While there, we were given to understand that the shell plating of both vessels had been offered to the Englishmen at 22½ francs per plate, but which they considered too low, as the price per cwt. was not equal to that they were receiving for inside work. We very much regret, taking into consideration the present depression in this country, that they did not accept rather than let the work slip out of our hands; we judge the plates—averaging the whole vessel—would fall short of 11 cwt., which, taken at 22½ francs, or 18s. English money, would be considered an exceptional good price in any shipyard in England, and we have no doubt we could find good platers who would go to France on the same terms. We had a conversation with Mr. Andrade concerning the employment of

more Englishmen, and after taking our cards, he promised to communicate with us hereafter. We also had an interview with the English Consul, who has done his best to further the interests of English workmen with the directors of the firm in question, for which our society should be very thankful.

"From St. Nazaire we went on to Nantes, about 45 miles up the River Loire, where there are some small shipyards, but all of them are very slack, indeed the manager of one firm told us that two years ago he had 20 small steamers, from 100 to 150 feet long, all building at the same time, and when we were there he had but two. He says that no work can be had in France except when the British shipbuilders are very busy and cannot undertake to do the whole of it themselves. We left Nantes for Bordeaux the next day, breaking our journey at La Rochelle, which we reached about 12 o'clock at night.

"La Rochelle is a large fishing place with a good sized harbour and docks, but no iron shipbuilding, consequently we only remained there one night, leaving for Bordeaux the following afternoon, where we arrived some time after midnight. The next day we went in search of the new shipyard at Lormont, which, by taking the river-boat, we reached in about 30 minutes. We may inform you that we succeeded in finding the place indicated, but at present there is no shipyard. In our conversation with Mr. Chaigneau, the gentleman whom it was said had offered an engagement to our member in Sunderland, he gave us to understand that he was afraid that no shipbuilding in Bordeaux, of the merchant type, could be successful unless entirely conducted by Englishmen. He said English masters, English managers and workmen, English administration all through, including English material, nobody in France at present can possibly compete against the shipbuilders in England. Even in repairs the English captains prefer to take their vessels home rather than risk the delays which are sure to follow if attempting to have their work done in Bordeaux. He thinks an English firm starting in Bordeaux would do well if they could do repairs as fast as at home. So far as he himself is concerned, he is somewhat undecided, as the small yard he has is only intended for wood vessels, and, in addition, the authorities are contemplating building a river wall in front of his yard, and if they do he will be compelled to remove. He also stated that he never held out any inducement to any individual in England that he was in need of either manager or workmen. If in the future he did anything in the direction of iron shipbuilding, he would like to start with Englishmen, but at present he could not see the remotest prospect. Throughout our conversation, which extended over a couple of hours, he treated us with every courtesy, and candidly confessed that the shipping trade of Great Britain need never be afraid of French competition.

"On several occasions we were told by different parties that the French owners, when negotiating for the building of a vessel, are in the habit of telling the builders that if they choose to go to England they could get a vessel much cheaper than at home, and the only reply made is that they can build them better in France.

"In our opinion (if we are allowed to offer one) the shipbuilding trade in France is about in the same condition as it was in England some 25 years ago.

"From Bordeaux we commenced our return journey, resting for a couple of days at Paris, where we left on Friday morning, arriving in Sunderland on Saturday night, after being absent from home 20 days, and having travelled in that time a distance of 2,500 miles.

"In conclusion we beg to say we have done all in our power to make our mission successful, and we hope and trust some good may result from it hereafter.

"We beg to subscribe ourselves,

"Yours faithfully,

"THOS. KENT."

"JAMES O'NEILL."

C 2

Mr. R. Knight.

2 June 1886.

*Mr. R. Knight.*

2 June 1886.

14,764. That report does not distinctly say that there were only two ships building in Port St. Nazaire?—It says that there were only two ships building at the time.

14,765. According to the official list which I have here, there were five ships building in that port at that time; what time of the year was that?—In the latter part of October and the early part of November 1884; there were only two vessels building then.

14,766. (*Mr. Jamieson.*) You mean vessels of any size?—Yes, of any size.

14,767. (*Mr. Palmer.*) What was the cause of the censure that was passed upon those two men?—The action of those two men in going and taking work in the way in which they did when they got out there. The manager of the firm was anxious to get Englishmen, and he engaged a few men from the Tyne and the Humber to go there and undertake the work. These men went, and, being selfish, they contracted for the whole work, and would not allow any other men to come in to take a part. Even our own men were not allowed; in fact they over-reached themselves.

14,768. (*Mr. Aird.*) Was any punishment inflicted upon them by the union?—No; it was out of our power to punish them. It was purely an individual engagement between themselves and the firm at St. Nazaire. It was not a society engagement at all. The firm at St. Nazaire engaged those men, and they went and took the work, and after getting the work into their hands, tried to prevent others—even Englishmen, our own men—coming there to share a part of it.

14,769. (*Mr. Palmer.*) Did they put themselves out of your union after they had gone abroad, and taken work in that way?—No.

14,770. Then they are still subject to your rules and to your control?—Quite so.

14,771. In that particular case, having a large number of workmen employed upon the work, was it the object of the firm to displace the native workmen?—The firm commenced to build two vessels, and they wanted English mechanics. There was a report at the time that there was work elsewhere in France, and having so many of our own men upon the funds of the society, our object was to try and get employment for them if it was possible to do so, and hence the Commission being sent there.

14,772. (*Mr. Drummond.*) Have you any branch of your society on the Continent?—We have one branch at Constantinople, but in France we have not any.

14,773. (*Mr. Palmer.*) What was the result at Bordeaux and Havre?—That there was no work there.

14,774. This is a very interesting paper which you have given us; could you give us a little history of what this Commission did, because it is a very wonderful thing for workmen to go abroad to get employment at a time like that, and it will be interesting to know what was the result?—The result of the inquiry was this, that there was only one place—St. Nazaire—where they really had any work to do in France. Of course I am excepting the Government yards. I am now alluding to the contract yards, where the contract work was being done. There was only that one place where there was really any contract work being done. The reply in all cases was: We only get work in France when the English shipbuilders have more than they can do. That was the reply that they got everywhere, and they just laughed about expecting that they could compete with the shipbuilders in the United Kingdom. They said, it is only when the shipbuilders in England and Scotland have more than they can do that we can get a chance of getting some little work; and the result was that we found that there was no work except in this one yard at St. Nazaire. We did not, therefore, send any men, as there was none wanted.

14,775. (*Mr. Palmer.*) Did they offer to work the same hours that they were working in France?—No.

14,776. They adhered to their union hours, namely nine hours?—Yes.

14,777. Did they offer to work at the same wages?—They had higher rates of pay in France than our people were getting in England. The report shows that they were offered for plating a vessel at the rate of 18s. per plate at St. Nazaire, but they refused it, as they were getting a higher rate for the inside work.

14,778. Where were they getting the higher rate?—At the same place in the same yard on other work that they were doing.

14,779. Then the higher rate might have been entirely for piece-work?—Yes, it was for piece-work.

14,780. What are the comparative wages as regards day-work?—I could not answer that question; I do not think that our men did any day-work, it was all piece-work. I need not tell you nor Mr. Pearce that there is but very little day-work done in any shipbuilding yards throughout the United Kingdom; it is all piece-work. I do not suppose that even in your yard the actual money paid in the shape of wages to our men is two per cent. of it for day-work.

14,781. Was that piece-work higher there on account of the machinery not being so well adapted to get through the work?—No; we inquired about the machinery there, and we were informed that the machinery was as perfect as in England.

14,782. Could it do the same amount of work?—Yes, equally the same amount of work, and the yards were well fitted up so far as machinery was concerned.

14,783. Then according to the report from these men, the bounties offered by the French Government had not the effect of stimulating shipbuilding on the Continent at that time?—None whatever.

14,784. Although in this country shipbuilding was greatly depressed in 1884?—Yes.

14,785. Have you ever sent any deputations to Germany?—We have a number of our men working in Germany. I may say that most of the leading men in the German yards and in the Danish yards, of those who are there, are members of our association. In fact, the foremen that are there, and also the foremen that are in Russia, are members of our association, and we get to know from them.

14,786. But it is only the foremen and not the workmen?—The foremen and the workmen too.

14,787. What per-centage of English workmen do you consider would be in a German yard, say at Kiel?—I could not say the per-centage of English workmen.

14,788. Would it be one per cent.?—Yes, more than that.

14,789. How do their wages compare with the wages in this country?—They work at piece-work in those yards the same as they do in England, and get the same price. They get higher rates in Germany for their piece-work.

14,790. And is the machinery adapted to the work also?—Yes, from the reports that we have received. There is a difference in the yards in England with regard to machinery; some are better supplied than others, and the same thing applies to the yards on the Continent. Some of the yards on the Continent are good yards and supplied with good machinery.

14,791. We have had it in evidence that the cost of building a ship in Germany is lower than it is in this country, or quite as cheap as it is in this country, and the result is that the German yards, we hear, are in full operation, whereas ours are idle; can you account for that through the knowledge that you seem to possess of the people of your own union who are employed over there?—So far as the information that I get it is not so, they are not getting their work done cheaper in those yards than you are getting it done in England. I am not speaking of the day rates, I am speaking about the actual cost of the work. It is not a question of what the man is booked

at in the firm, it is the actual money value that the employer gets out of the men. You cannot possibly say that because one man is booked in a firm in England for 2s. or for 6s. per day that the same class of men would be booked for the same on the Continent. Take platers for instance. A plater in England would be booked at 6s. per day, and on the Continent he might be booked at 3s. per day; but that would be entirely misleading, because a plater in the English yards and Scotch yards is paid by results, at piece-work, and a plater in the German yards is paid in precisely the same way, by results.

14,792. Is it your opinion that they get more work out of the German workmen, or do the hours come in and help the German workmen in cheapening the production?—I say in my experience that it is not cheaper. The English shipbuilders and the shipbuilders of the United Kingdom to-day are getting, and are able to get, their ships built cheaper per ton for the payment of labour to our men than the foreigners are able to do.

14,793. (*Mr. Pearce.*) How do you account for this fact, that at the present time at Stettin, where there are some of our men working, in a large yard they are quite full of work, having 14 ships to build, whilst in the Tyne you have scarcely any ships building at all?—I do not know how many vessels they are building; but if there are 14 vessels building in Stettin at the present time, it would be, some of them, small vessels. I dare say that the 14 vessels that they may be building in that yard would not be equal in tonnage to two that you have in your yard.

14,794. In putting the next question to you, I would first of all tell you that six of those vessels are vessels of over 4,000 tons, passenger-carrying steamers, the same as I have been in the habit of building for the same company, and that the other vessels are, some of them, also of large size. Upon these premises I want to know how you account for the fact that this yard at Stettin is quite full of work whilst you cannot get work on the Tyne?—There may be causes in operation which I cannot possibly account for, but what I can vouch for is this, that the shipbuilders in the yard in Stettin are not getting their work done per ton cheaper than the shipbuilders in England and Scotland are getting theirs done for.

14,795. (*Mr. Palgrave.*) Do you mean to say that the cost to the builders there is as great for labour as it is in this country, notwithstanding the difference in the comparative rate of wages?—Yes.

14,796. Can you at all explain how that is?—The foreign workmen do not work so hard as the English, and therefore do not turn out the same amount of work.

14,797. I do not ask you about the work, but about the comparative cost of labour; you say that the vessels in Germany are not built more cheaply, so far as labour is concerned, than in England; can you put before the Commission how that is?—They are not built cheaper in Germany than in England, because the German workmen do not turn out the same amount of work.

14,798. The cost for labour, you say, is not higher in Germany than in England?—I am taking the value of the work done. You may have a man, and you might book him at 2s. or 4s., and unfortunately a large number of our people consider, if they have men entered, and they are rated on their books at so much per day, that that is the actual value of the men's work; but that is not so. As I said just now, our people go there and work and are paid by the piece for what they do, and they may be rated at 4s. per day; but they are not paid by the day at day rates, they are paid at so much for each job that they do. Then, taking their work, and the payment for the work done in the Stettin yard, and the payment for the work done in the yards in the United Kingdom, the work done in the United Kingdom is cheaper done than it is done there.

14,799. (*Mr. Pearce.*) But you have no real proof of that; it is a mere assertion of yours?—I have proof

of it in this case that I gave you at St. Nazaire, where our people were offered 18s. per plate for the shell of the vessel.

14,800. Have you not any other proof than that? I do not think that those Commissioners could have ascertained the fact, because they have also said that at the time there were only two ships building at St. Nazaire, and that that comprised nearly the whole of the ships that were building in France; whereas, according to the official return for the year 1884, the amount of shipbuilding in France was 34,706 tons. Therefore, if your statement with reference to this piece-work is only of the same value as your statement with regard to the amount of work doing, I think the Commission have to be careful how they receive it?—That 34,000 tons that you refer to would, I presume, cover the whole of the shipbuilding in France for the year. It would include all the small vessels, the yachts, and vessels of that kind that would be built in France.

14,801. It is not for yachts, neither does it include war vessels building; it is simply for the building of merchant ships that go into the mercantile trade, ships upon which the bounty is paid for building. It is the total tonnage building at that date, the 1st of January 1884?—I am not aware how that is, but it would perhaps cover three years' work.

14,802. Now you are assuming again. What we want to hear is a statement of fact. You are only assuming that it covers three years' work, and to correct that statement, let me tell you that in the very yard which you are speaking of they laid down two steamers in December 1884, and those steamers were nearly 6,000 tons each?—Then that shows that they have been 2½ years in building those two steamers, and therefore your figures that you are now giving me have covered over three years' work. When you say that at the commencement of 1884 there were 34,000 tons of shipping in hand at the time, those vessels may have been in hand for 12 months before that—they may have been in hand the whole of that year; and they may have been booked again as being in hand at the commencement of 1885, because you now say that vessels which were commenced building 2½ years ago are now only just completed.

14,803. There are all those vessels in hand and new ones being put down, and yet you come here with the statement to us that the bounties that the French people are giving are not contributing towards the work of shipbuilding that is being executed in France; and I want some proof of that, because the official statement that I get from France shows me that since that Act has been in operation at least 34,000 tons have been completed in each year, and in one year 66,000 tons were completed in France. These figures seem to be so contrary to the statement which you have put forward here, that I think the Commission would pause before receiving that statement?—I do not say that the bounty system has not contributed anything toward shipbuilding in France, but that the amount of tonnage built is so small that it cannot have affected it much.

14,804. If they had done anything it certainly would have amounted to at least 10,000 or 15,000 tons, and you say that at the commencement of the year they had only 2,000 tons of shipping in hand. Now the return that I have given to the noble Chairman shows the exact amount of tonnage that has been built in France for the last year, and what we want to see is, whether the increase of shipbuilding in France has been since the introduction of the bounty system?—Then I say that it has not been increased to any great extent.

14,805. (*Mr. Drummond.*) Upon that point can you put in any figures showing the number of yards in France for a period of years, and the number of workmen employed in the shipbuilding trade for periods of years?—No, I could not give that. In fact, the return shows that in one yard on the Tyne they built more vessels and more tonnage than the whole of the yards in France put together.

*Mr. R. Knight.*

2 June 1886.

Mr. R. Knight.

2 June 1886.

14,806. (*Mr. Palmer.*) I would like to bring you back to the question of the cost of wages for work upon ships at Kiel and Stettin as compared with our East coast, because we have had some evidence here which is rather contradictory. I am sure that from that information you would like to reconcile the two statements if you could. A letter has been laid before the Commission from the manager of the works at Kiel, in which he gives the piece-work, and the witness who was being examined on the subject said, "for platers the average is 5s. 6d. per day; at the time when our men went out on strike" (that is on the Tyne) "the earnings were 13s. 3d. a day. The riveters and holders-on he gives me 4s. 0. 17d.; our riveters' earnings when they went out on strike were 8s.; angle-iron smiths 5s. 4d. When our men went out on strike they were receiving a mean rate, as ascertained from nine establishments on the East coast, of 12s. a day," which is a very material advance compared with what they are paying at Kiel. Then he goes on to say that their labour is something like 10 per cent. less than it is in this country on an ordinary sailing ship. That is from one of the managers of the largest shipyards in Kiel, and he gives a statement of all the prices of piece-work and day-work which I need not go through now, but it is summed up in this way:—"I had an opportunity of comparing the cost of production of an ordinary sailing ship, and I find that his labour is over 10 per cent. less than ours on an ordinary sailing ship." How do you reconcile that with the statement which you have now made?—May I ask whether it gives the price of piece-work, and whether it gives the prices per 100 for rivets, and the prices paid for plating.

14,807. He says, speaking of plates, "When I said 13s., I meant our men at Jarrow. Although to angle-iron smiths we were paying 10s. a day in Jarrow as against 5s. 4d. in Germany; but the average of nine yards on the East coast was 12s. Caulkers in Germany received practically 4s. or 3s. 0. 92d., and when our men went out they were getting 8s. 2d., and the average rate was 8s. 8d. Drillers in Germany were getting 3s. 0. 70d. or 3s. 9d. We have just recently reduced ours from 4s. 10d. by 7½ per cent."—That does not give the piece-work.

14,808. It means what was earned by our men upon piece-work taken out by the day?—I understand it to be so.

14,809. You had a dispute, had you not, upon the question about the employers following that course of ascertaining how much piece-work comes to per day?—Yes.

14,810. I think that was the cause of the great strike in Sir William Armstrong's works; but actually in other places it is taken out, and the figures that I am quoting are upon piece-work taking out what the men earn by the day?—But you know it may be possible that the German workman may be contented with earning less than the English workman would be contented with; he would not do as much work in a day as the English workman would do in a day. He would be paid for the actual work done, and the actual work done would be as expensive to his employer as the actual work done by the English workman, for I need not tell you that you might give one man precisely the same price for plating work as you would give another man, and one man would do what was worth 15s. per day, and there would be an advantage to the builder in getting his work off as soon as possible. The other man would be content with earning 10s. a day, and would stay on the vessel. He would take one-third as long again in doing the same amount of work as the other would, and it would not be fair for one to say that the work in the one place has cost 10s. per plate, and in the other case it has cost 15s.

14,811. Is it not the fact that instead of working shorter hours they work longer hours in Germany, and would not that, although they were not working so actively, compensate in some degree for the increase in wages; and then with regard to the machinery in the shipbuilding yards in this country, does it not

depend in a great measure upon the efficiency of the machinery, so that one man can get through more work than the other?—Certainly.

14,812. Can you put such a relative question as between 10s. and 15s. under the circumstances with longer hours and equal machinery?—You know that the same thing which I have now mentioned occurs in the same yard under the same employer, and yet the work in the one case costs equally as much as it does in the other. I will give you one case as a practical illustration of what you want to get out, and what I want to get out. There was a gentleman from Germany who came over to the Tyne and served his apprenticeship, and worked actually as a foreman for a large firm in England. He went back again to Germany and he got the position of a foreman in Germany. He had been in Sunderland for some time, and he sent for some of our people whom he knew in Sunderland to come to work for him in Germany, and our men went. He took the Caulker's list, which you understand very well. This man was a caulker, and I got this from the man's own mouth only a week ago. When he went home to Germany he took with him the price list, and some workmen went with him to Germany, and he started them all at work under himself in Germany, and he paid those men the same price as they were earning in Sunderland; he paid them from the same list. At this moment they are able to earn about double the amount of money that the German caulkers earn, being paid at the same price, because they can do a larger amount of work.

14,813. Under the same circumstances?—Yes, under the same circumstances precisely.

14,814. Do you say that an English workman can do double the work that a German workman would do?—Yes, and he did do it.

14,815. (*Mr. Pearce.*) Are there no German workmen working in the Tyne?—I do not know whether there may be any at the present time or not, we have had some of them working there.

14,816. (*Mr. Palmer.*) Have you yourself, as a practical man, seen Germans at work?—No, I have not.

14,817. Are you aware that we have it in evidence that they are more highly educated, with more technical education, and are steadier at their work than the English workmen?—That may be so for aught I know; I have never had any experience of German workmen myself.

14,818. (*Mr. Pearce.*) Do you make the statement that an English workman can do twice as much work as a German?—In this case that I refer you to, it was so, and the German was content with one-half of the earnings. I got that from a gentleman who came from Germany.

14,819. (*Mr. Palmer.*) You said that ships could be built more cheaply here than they could be built in the German ports and the Dutch ports, where the trade is fully employed, from all the information that we receive, and from the statements that we get from foremen and managers in those places, they say that, calculating all the money spent upon the labour, they can build their ships for 10 per cent. cheaper than they are built in this country; but if you can bring any fact or any figures, or anything to show that that is so, it would be a great advantage?—I think I can do so.

14,820. (*Mr. Drummond.*) Are you not in correspondence with your friends in different parts of the Continent?—Yes.

14,821. Would there be any difficulty on your part in getting the facts and figures that Mr. Palmer asks for, up to date, in something like a tabular form, and putting them in?—I have given them in already and showed the amount of tonnage that is built in England and the amount of tonnage built in every country on the Continent.

14,822. (*Mr. Palmer.*) It is not the quantity of tonnage built, but it is the question of what is being



done within the last six months or 12 months?—That is the latest date that I can get it for.

14,823. It is not what is actually taking place or what has taken place within the last six months; the question that we have to investigate is the causes of the depression in the different industries in the shipbuilding trade. You say that there is a very serious depression in the shipbuilding industry of Germany, Holland, Norway, and Sweden, but so far from being depressed at the present time, it is very active?—Those countries may be active so far as their capacity for building vessels is concerned, but you know very well that, taking the whole of the Continent last year, you built in your yard on the Tyne very nearly as many tons as the whole of the continental builders put together.

14,824. Do you know how much they have increased their power of production within the last 12 months?—I have the quantity built up to the end of the year.

14,825. But not the power of production?—No, I have not.

14,826. You will understand that it is to the interest of your men, as well as to ascertain the fact, that we have rather pressed these questions?—I quite understand that.

14,827. (*Mr. Drummond.*) Could you put in a statement justifying your assertion that a ship on the Continent as a whole, cannot be produced, so far as labour is concerned, in the different countries as cheaply or more cheaply than in England?—The Commissioners themselves would have the power of ascertaining that better than I have. That is the actual cost of the labour so far as our people are concerned, per plate, or per hundred rivets, and so on, not the day rate at all, because the day rates, as I have said before, are no criterion whatever. What you want to get at is the actual cost per ton for the labour.

14,828. (*Mr. Palmer.*) When you say that you have a correspondence on the Continent, do you mean that your men are disseminated all through the yards, and that you have the power of ascertaining the prices which they are earning abroad?—I do not say the whole of those yards.

14,829. If you have the power of getting these prices, I think it would be desirable that you should get them in order to substantiate your statement that shipbuilding is not less costly on the Continent than in this country; can you do that?—It would take some time to do it.

14,830. From what do you speak when you give your evidence, saying that it is so; upon what grounds do you make that statement with regard to the cost of labour in the building of iron ships abroad, compared with building them in this country?—From the reports that we have received from our own members working at those places.

14,831. When you speak of reports, what are those reports?—This is one which I have before me from the Commission that I referred to.

14,832. That is your Commission in France, who were sent with a very praiseworthy object, which, however, appears to have failed?—No; the Commission did not fail in its object at all.

14,833. They came back again and reported that they could find no work; do not you think that is failure enough?—In that respect it was a failure, but the point that we wanted to ascertain was whether there was any shipbuilding doing in France.

14,834. Then it was a failure in that respect?—We ascertained that there was not.

14,835. As I have asked you, from what do you make that statement, because it is very important that we should know what the figures are, and how you put them together before making such a statement; because we have had not only on one occasion, but on other occasions, from men who have taken the trouble to investigate the whole question, statements brought up before this Commission which do not bear out your argument?—The statements that you

have are just these: that the day rates are entered on the firm's books at different places as so much. You know that, so far as the English yards and Scotch yards are concerned, there is no day-work done in those yards, and therefore you could not compare those rates with the foreign rates.

14,836. You get over the question again that although there may be piece-work generally in English yards, and in foreign yards, yet that is reduced to day wages, and it is with regard to the day wages upon this piece-work that you have given in figures, which show that the rates of wages abroad in Germany, and those two special places which are the seats of shipbuilding, are generally 10 per cent. lower than they are in this country?—The rates of wages may be so, but the cost of the work may be dearer. As I pointed out before, it is not what they may book a man at, and enter him on the books of the firm, but it is what the actual cost of the work is to the employer that you want to get at; you want to get at what price is paid by the employers for plating and riveting, and caulking, from beginning to end.

14,837. Then you have to put against that the statement of all these people that, putting it all together, the work in the foreign yards is 10 per cent. lower than it is in this country?—You have a statement to that effect.

14,838. That is taking the cost of labour upon an iron ship?—It would include all branches of trade, I suppose; it would include all engaged upon it, labourers, and everything else. I simply referred to one class of men that are working there.

14,839. You made the assertion that it is so, but you have no statement or figures to prove that those German workmen do not do as much work and as efficiently as the English workmen. Your evidence also goes to show that the English workmen are better workmen and get through their work better than the German workmen; but, taking all that into account, the result is 10 per cent. lower price upon the work done?—I gave you that statement, and it was all from a member of our own executive council at the present moment who went to work in Germany from Sunderland 12 months ago. That same gentleman that I spoke of from Germany had been engaged in Sunderland. When he returned to Germany he wanted some English workmen to go there to work for him, and he took some of the men. He got the list of prices that were paid in Sunderland, and he introduced those prices afterwards in Germany in respect of the English workmen; and the member of our council, who returned from Germany not long ago, told me that he worked at those prices in Germany, and he earned twice as much in a week as the German workmen did at the same price and from the same price list.

14,840. (*Mr. Drummond.*) Are those prices filled in up to date?—Yes.

14,841. Would it be fair to ask you the name of the employer or of the yard?—I will get for the Commission the name of the firm, if you wish it, and also the manager's name, and of the man who gave me the statement—a member of our own council—and I will send it in to the secretary.

14,842. (*Mr. Palmer.*) You stated that there were 28,000 boiler-makers; were those boiler-makers employed at shipbuilding?—Yes, they were boiler-makers and shipbuilders.

14,843. Is the number increasing or diminishing?—Diminishing at present.

14,844. Your funds are falling off very seriously, are they not?—Yes.

14,845. Is your fund diminished in consequence of strikes, or is it from benevolent contributions?—From benevolent contributions.

14,846. Not from strikes?—No, not from strikes.

14,847. (*Mr. Pearce.*) Some is from strikes, I presume?—Very little of it indeed.

14,848. (*Mr. Aird.*) It is chiefly from the men being out of work, is it not?—Yes.

14,849. (*Mr. Palmer.*) You have told us in this statement, which you have handed in to the Chairman,

*Mr. R. Knight.*  
2 June 1886.



*Mr. R., Knight.* "It has cost us for sickness during the year 1884, 18,189*l.* 4*s.* 11*d.*, compared with 18,153*l.* 4*s.* 3*d.* for 1883; being an increase of 4,676*l.* 0*s.* 8*d.*"?—Yes.  
 14,850. And for out of work in the year 1885, 45,420*l.*?—Yes.

14,851. And for sickness, 18,415*l.*?—Yes.

14,852. You do not give what has been paid for strikes?—I can give it you in this report which I have here. Last year we paid for disputes 3,500*l.*

14,853. As against the contribution from the benevolent fund for men out of employment and sickness, how much?—As against 57,205*l.* for men out of work; for sickness, 18,189*l.*; funeral benefits, 3,657*l.*; for medical attendance, 3,700*l.*; for old age and superannuation benefit, 3,300*l.*; for fares to situations, 145*l.*; and for accident benefit, 1,585*l.* That was all paid in last year.

14,854. Do you find that your men are emigrating very much?—Not much. A few are going to Australia and a few to America.

14,855. Do they go to any of the Colonies for the special work of shipbuilding?—No, for boiler-making.

14,856. How are your wages at the present time as compared with any previous time that you may have in your memory; are they worse now, or about the average of what they have been?—May I ask whether the question refers to the actual amount earned on day rate wages or piece-work?

14,857. I mean bringing it down to a day rate?—The piece rates would be something like 40 per cent. below what they were four years ago.

14,858. But that would arise in some degree, would it not, from the improved appliances for the men to work with?—No, from the want of work. Wages have been reduced, as I have stated, from the want of work.

14,859. What are your day wages reduced?—The day rates would be reduced something like 10 per cent., I should think, taking them all round.

14,860. Over what period?—Over the last three or four years.

14,861. That would take in the time of the prosperity of the trade generally; but say 10 years ago, what would it be?—The day rates are fully 7½ per cent. lower now than they were 10 years ago.

14,862. (*Mr. Pearce.*) Do you mean riveters?—Yes. I am including the whole of the society, which will include boiler-makers and riveters. If I was to take the day rates that are paid in the shipbuilding yards, it would be more than 7½ per cent. I daresay that the day rates would be fully 15 per cent. below what they were 10 years ago in the shipbuilding yards.

14,863. (*Mr. Palmer.*) Have you many unskilled men in your association?—None.

14,864. Then all those men who are out of employment, as you put it, about one-third of your society are skilled mechanical workmen?—Yes, all of them.

14,865. (*Mr. Pearce.*) Are the holders-on considered skilled workmen?—Yes, they are so considered.

14,866. You have only considered them as skilled workmen lately?—Yes, only lately, but we have very few holders-on in the society. The holders-on that you are referring to are a different class of holders-on in the engineering department to what they are in the shipbuilding department. Those men are trained to their trade and serve their apprenticeship to it, whereas the holders-on in the shipbuilding yard are not so. It is the men in the boiler shops that we call members of our society. I may say that the price per ton of shipbuilding since 1860 has gone down considerably. The cost of sailing vessels per ton in 1863 I find was from 18*l.* to 20*l.*, in 1876 it was from 14*l.* to 15*l.* per ton, and I think at the present time you can actually get sailing vessels built on the Clyde for 9*l.* per ton.

14,867. (*Mr. Palmer.*) Do you consider that a fair criterion as to what the wages should be for the workmen, is it not the case in nearly every industry that the cost has been reduced by better appliances

for work; in engine-building for instance, you are building engines now, are you not, at very much less cost than formerly upon piece-work?—Yes.

14,868. And yet the men are making nearly the same wages as they were formerly?—If you mean in engine-building, I do not know anything about the cost of engine-building.

14,869. I merely put that question that it is very little criterion as to the actual earnings of the workmen when you say that labour is 40 per cent. less; whereas you can do so much more work by the mode of applying that labour?—I say this, that the actual amount of earnings is 40 per cent. below what it was a few years ago. I quite admit with you that the increase of facilities in the yards affects one class of men only, that is the platers. The angle-iron smith it does not affect him in the least, the riveter it does not affect him in the least, and the caulker it does not affect him in the slightest degree; the only one that is affected by the facilities in the yards for doing the work is the plater.

14,870. (*Mr. Pearce.*) Do you think that the trades unions have had anything to do with bringing about this depression of trade?—No, I do not. I think that the trade unions have been an advantage rather than anything else.

14,871. In what way do you think that they have been an advantage?—We have averted disputes scores of times which would have taken place had it not been for the association. I have been on the north-east coast, resident at Newcastle, now over six years, and during that time wages have gone up and down. There has been an increase three times, and a decrease four times, in wages, so that the rates have been changed seven times during the six years that I have been there. Now, during the whole of the time when the trade was exceptionally good, we never had a strike. The wages question was settled by the employers sitting around a table in their office with the workmen, and the result has been that not a day's stoppage of work has taken place.

14,872. Can the men strike without the sanction of the officers of the union?—If they do take it upon their own responsibility they receive no benefit whatever from the society's fund. As a matter of course if there are certain conditions under which a man does not care about working, and he leaves his work, we cannot hinder him from doing so, but before he is allowed any benefit from the union fund he must get the permission of the head office for it.

14,873. Get permission to strike?—Yes, he must get permission.

14,874. If he strikes before he gets your permission, does he come on the fund if you approve of the strike?—That depends upon circumstances. When you refer to strikes and the cost of strikes, as a matter of course, you know that in all shipbuilding yards it is piece-work, and there are always little petty disputes arising with regard to adjustment of prices in those cases; and if the circumstances were such that our council considered that the man was justified in resisting or not doing the work, he would be allowed dispute benefit, but no general strike is ever sanctioned in our office, if the men come out on strike, on any account before consulting the office.

14,875. Therefore you do not give them relief from your fund for being out of employment?—No, and not even the ordinary out-of-work benefit.

14,876. (*Mr. Palmer.*) Has not there been a strike lately without your permission?—Yes, but they never received a single farthing.

14,877. (*Mr. Pearce.*) Are you aware that at the present time there is a strike of the riveters on the Clyde?—There is a strike, and I received word to that effect yesterday morning before I left; that was the first time that we knew anything about it.

14,878. Were you aware of that strike taking place a week ago?—I was not aware of it.

14,879. Then you are not in direct communication with your branch society on the Clyde?—Yes, we are in direct communication.

14,880. Can you account for the fact that a strike can take place on the Clyde and you not know it for a week?—Certainly; if men consider that they are unfairly dealt with, and they take upon themselves to leave their work, or refuse to work under certain conditions, (and unfortunately, they sometimes do do that,) they will receive no benefit from us.

14,881. I want to know whether when men do that which you say they can do, you are informed there and then of the matter?—No, very often it is some days perhaps before we get to know of it.

14,882. Then you, although the principal of those 28,000 men, have no control really as to whether they shall strike or not?—The control that we have is that a man, as an individual, has the right to say whether he will work under certain conditions or not.

14,883. I am not speaking of an individual, but I mean a body of say 400 or 500 men, the whole of one class of men in a large work?—There is no such thing taking place at the present time on the Clyde as 400 or 500 men being out on strike.

14,884. Excuse me, in the Fairfield Shipbuilding Company, where 420 men are employed, there was a strike on the Wednesday of last week, and you tell me that you only heard of it yesterday; now I want to know whether you did not hear of it from the manager of the works, and not through your association at all?—We received a communication from the manager and also from our agent at the same time, yesterday morning.

14,885. Are you aware that those men went out without saying one word to the management as to the cause of their going out?—No.

14,886. Are you aware that the men who have gone out on strike have, since February the 4th, in many cases made upwards of 2*l.* a week, and in some cases 2*l.* 15*s.* a week?—No.

14,887. Do you know the cause of the strike that exists amongst those 400 or 500 men at the present moment, during the time of this great depression of trade?—Yes.

14,888. Will you inform the Commission what the cause is?—The cause, as I understand from a letter received through our agent, is the low rates of piece-work that are paid.

14,889. Those rates being enough to give a man 2*l.* a week, or say 2*l.* 15*s.* a week; is not that so?—Our people dispute that.

14,890. I will ask you whether it is not possible for the officials of a trades union to have a perfect control over the men with regard to strikes?—So far as we are concerned, no man is allowed to strike without leave, and if he came to us for any benefit from the general society without getting permission at the office to strike, he would not receive it. We take every means in our power to prevent strikes. It is the very last resource that is ever resorted to is a strike. No one in the world deploras a strike more than I do, and I have prevented as many strikes as any man.

14,891. Did I not understand you to say that a strike is the last resort that the men take up?—With us at the office it is, and I say that we use every means to prevent a strike.

14,892. But the men can strike without your permission, in a body?—Yes, they can strike; the non-union men strike.

14,893. Have you no means of preventing that?—We have no means to prevent them if they do not come to ask for assistance, but as soon as ever they come to ask for assistance, our council ascertains the cause of their being out, and they immediately take the matter in hand, and either request the men to commence work, or adjust the questions with the employers and work is resumed.

14,894. With regard to the strike that took place last week, the information of which you got yesterday,

has it been represented to you why the men struck?—*Mr. R. Knight.*  
Yes.

14,895. Will you state why it was that they struck?—If the Commission wishes it, I will state it. The statement which was given by our agent, according to what the men said, was that the prices paid for their work were such that they could not earn day rates on it.

14,896. Then there was no effort on the part of the management of the trades where those men were working to reduce their wages further. It was not a question of the reduction of wages?—I cannot answer that question as I do not know the facts.

14,897. But according to the statement which you received from your agent, do I understand that it was not represented to you that it was to obtain a reduction of wages?—The statement generally was that the prices paid upon the work, it being very difficult work indeed, were such that the men could not earn a fair day's rate for it.

14,898. What do you call a fair day's rate for riveters at piece-work?—I should call a fair day's rate, working at piece-work, 8*s.* per day.

14,899. (*Mr. Jamieson.*) Did I understand you to say in your statement that the cost of the work in the building yards on the Continent was dearer per ton than the cost of the work in the building yards in this country?—Yes.

14,900. And that that additional cost was due to the payment of more wages?—Yes, for the actual work done.

14,901. If I understand you aright, it may cost more to build a ship per ton, and that cost may be attributable to other elements besides wages; and I understood you to say that the additional cost may be chargeable to a greater amount of wages being paid per ton?—Yes, to the cost of the wages per ton.

14,902. When these English workmen went to the foreign yards did they work the foreign hours, or did they adhere to the hours to which they were accustomed in their own yards at home?—They worked the English hours.

14,903. Did they work shorter hours in the same yard than the German workmen, or the Dutch, or the French workmen did?—That is what I have understood.

14,904. Did I understand you quite aright to say that this member of your executive committee who went to Stettin, and who has returned within a short time, stated to you that he had made at the same work in the same yard, and at the same time, exactly double the wages of his fellow workmen in the same manufacture who were Germans?—About double the rates, working at the same price, and having received the same for his work.

14,905. That was piece-work?—Yes, that was piece-work, and at piece rates.

14,906. Therefore we may take it that the work of that Englishman was worth about double the amount of the work of the German?—He did nearly double the amount of work.

14,907. Are you prepared to give us the name of that gentleman, and allow him to give evidence here?—I can give his name, but I have no control over his giving evidence.

14,908. Can you give the secretary of the Commission his name, so that we can call him if we choose?—Yes, and also the name of the firm.

14,909. (*Mr. Drummond.*) With respect to the question put to you by Mr. Pearce, if any of your members struck over the heads of your executive council would they not only lose any benefit they are entitled to from the funds, but would they not also be liable to censure by the executive council for so doing?—Yes.

14,910. Then the executive council, although they have no power to prevent men striking, can take action where a strike is commenced over their heads; surely your rules provide for that?—Yes.

14,911. Will you put in a copy of the rules?—Yes, I will send one to the Commission.

*Mr. R. Knight.*

2 June 1886.

14,912. The rules as printed are the rules that govern your association?—Yes.

14,913. You have no unwritten laws?—No.

14,914. You have no such laws as have been referred to by different witnesses before this Commission as being of a very peculiar character, and very difficult to get at, and of which we at present have never seen a copy; you have no rules, in fact, other than those which are printed in your rule book?—None whatever.

14,915. In your experience of the trades union world, did you ever know of any such rules?—None.

14,916. Then a statement of that kind, so far as your knowledge goes, would be incorrect?—Quite so.

14,917. Mr. Palmer said something to you about the better technical knowledge of the German workman; do you consider that the German workman has a better technical knowledge than the English workman?—It is not my experience.

14,918. You have worked with German workmen in this country, have you not?—Yes.

14,919. Do you know how the German workmen are taught; are they apprenticed to the trade in Germany?—I rather think they are, but I am not quite certain upon that point.

14,920. Are lads apprenticed to the trade in this country?—No, unfortunately they are not, in the shipbuilding business.

14,921. Formerly they were, were they not?—Some years ago they were.

14,922. There is not so much care taken, is there, in the tuition of apprentices as formerly?—Unfortunately there is not. The employers take on a number of young lads who are not bound at all to their trade, and they work them as long as there is work for them to do, and then they discharge them the same as they discharge ordinary working men.

14,923. (*Mr. Palmer.*) Does your society interfere at all with the taking of apprentices, with the limiting the number of them?—One of the rules of our society is that we consider one apprentice to every five journeymen is sufficient.

14,924. Then you do limit the number?—It is one of the rules, but it is not enforced. We consider that number is sufficient. But allow me to say that unfortunately there are very few cases of such a thing as a legally-bound apprentice. One of the most unfortunate things that there is in connexion with our trade at the present time is lads not being bound as apprentices. I served my time for eight years. I worked at the trade from 13 years of age until I was 21 as an apprentice; but to-day lads are taken on in the yards, and although they may be called apprentices, in the majority of cases they are not bound. They work on for a short time, and no one appears to take any notice of them, whether they will ever learn their trade or not, and they are discharged again when the other men are discharged. That unfortunately is the kind of thing that happens. There is a lot of young men calling themselves workmen who never ought to be called workmen, and who really are not so.

14,925. (*Mr. Pearce.*) Is that system universal?—That is universal.

14,926. Are there no bound riveters?—When I say that there are no bound riveters, in the majority of the yards they are not bound.

14,927. Then it is not universal?—In the majority of yards I should say it is the case.

14,928. Then do you never enforce the rule about the number of apprentices to the workmen?—We try to enforce it as far as we possibly can.

14,929. Then you do attempt to enforce the rule?—Yes; but, as I say, we have never been able to do it.

14,930. (*Mr. Drummond.*) You consider that the incompetency of the workmen, if there is any, is attributable entirely to this laxness of apprenticeship?—I should, indeed.

14,931. Do you consider that if lads were apprenticed, as they formerly were, there would be little or no need of technical education of which we hear so much now-a-days?—I think we should have a very

much better class of workmen than we have now if that was so.

14,932. (*Mr. Aird.*) Do you limit the quantity of work that the men do?—No.

14,933. You allow them to do as much as they can do during working hours?—Yes.

14,934. When you spoke of censure in the event of a man taking an independent course of action, is that merely a censure in words, or is there any fine or penalty imposed?—If a man, for example, has contracted for a job and leaves his work partially done, we compel that man, whether he comes to us for the benefit or not, if the employer wishes it, to go back and complete his work at the price for which he took it, and we fine that man if he does not do it.

14,935. I gather from that answer that you censure him if he fails in his duty to his employer?—Yes.

14,936. But you yourself censure him if he fails in his obligations to the union?—With regard to the obligation to the union, in that case we should be obliged to enforce upon him his duty towards his employer, which would be one and the same with his duty towards the union.

14,937. Is it so, that the union only censures a workman in the event of his failing in his duty to his employer?—If we consider that a man deserves censure for some neglect towards his employer, as a matter of course we should consider that it also was a neglect towards his union as well. For instance, we consider that a man is damaging the union if he does not seek the best interests of his employer; if he takes a contract from his employer, and does not complete that contract from whatever cause, we compel him, not only in duty to his employer, but in duty to his society, to go back and complete his work to the satisfaction of his employer.

14,938. That I quite understand, only I wish to know if the union as a body censure workmen, under other circumstances than those; what is the effect if he has failed in his duty to his employer?—I do not know what other circumstances you might refer to.

14,939. (*Mr. Pearce.*) Supposing a man had left his work, and another man belonging to the union undertook to do that work, would you not censure that man for doing the work without consulting the society as to whether or not he might be permitted to do it?—You mean if one man left his work, and another man was willing to do it, whether we would not censure that man; that depends entirely upon circumstances.

14,940. (*Mr. Aird.*) Is the censure merely a censure of words, or is there a fine or punishment?—Our rules give our council power to fine a man 5*l.* for any injury to his employer, either by leaving his contract unfinished, or leaving his work when he ought not to have left his work, whereby the employer has been damaged by his leaving, or in any other manner.

14,941. Would he be fined 5*l.* by the authorities if a workman took up another man's work when he was on strike?—That depends entirely upon circumstances.

14,942. If a strike took place with the approval of the union, and another workman came to do that work, which was important to be done, would that man who came to do the work be fined 5*l.* by the society?—If he was a member he would be fined for a breach of rule.

14,943. (*Mr. Pearce.*) Did you never know of a case of a man who did the work for another man who had left it?—A general strike being sanctioned by our office, our workmen do not go to work until a satisfactory settlement has been arrived at.

14,944. If a man goes to do the work who does not belong to your society, you, of course, could not apply it to him?—Certainly not.

14,945. But you can prevent any man belonging to your society working on that job until a non-unionist leaves it; is not that so?—We can. The employer has power to employ whoever he likes; we do not dispute his right of doing that, and the man would undoubtedly have the same right to work with whom he liked.

14,946. (*Mr. Aird.*) You made a statement that the union had been the means of averting disputes; are you aware that in Germany trades unions do not exist, and are not allowed by law to exist?—No, I am not aware of that.

14,947. Have you made any comparison at all as against the two cases to see whether the greatest number of strikes have occurred in Germany or in this country?—No, I have not.

14,948. With reference to the funds of the society, if the amount paid for the men out of work continuously for a few years is so large as it was last year, namely, exacting from your funds practically 50,000*l.*, in a very short time the society would practically cease to exist, would it not?—No; the funds might be exhausted, and yet the society would exist for all that.

14,949. Do you think that without funds the society would still meet with encouragement from the men to justify its continuance?—Exactly so. Funds do not make the society, but the union of members.

14,950. (*Mr. Pearce.*) Who would pay the secretary under such circumstances?—There is always money to do that; we have never been so short yet.

14,951. (*Mr. Aird.*) With reference to the original formation of the union, can you tell us the original object with which it was formed?—I was a very little lad then. Undoubtedly the object which the unionists had in view in establishing it was to improve their condition and the circumstances under which they work.

14,952. And following the unions of the men, the masters also have of late years formed similar associations, have they not?—They have.

14,953. Do you believe that it would be a benefit to the great industry in which you have taken so prominent a part if those associations of masters and men were combined together for the benefit of the trade, instead of being an antagonism, as they are, the one class against the other?—I do not know in what way you would consider that the combination should take place, but my opinion is this, that when we have to do with a well-organised employers' association we can always settle our differences without any disputes; disputes occur principally when the employers themselves are not well organised.

14,954. My question was as to the desirability or otherwise of the masters' associations and the men's being a united association, and being one for the benefit of all those associated with the industry, instead of being different classes in effecting antagonism representing the men and the masters?—It would be a great benefit if we were all united for the object of arranging the rates of wages at all times.

14,955. Are you not aware that there are, and there have been now for some time, several similar institutions conducted in Germany as associations for trades or guilds which represent different industries, in which the masters and workmen unite in one body for developing the industry?—I am not well versed in that part of the question.

14,956. Do you not think, having regard to the fact that, in the past year, as you say, 50,000*l.* has been taken away from your capital, that it is about time that those who represent that great body should begin to think and to see if some improvement could not be effected, and some benefit derived, from the course of action in other countries?—I do not know what the course of action referred to is. I could not answer that question, because I do not know what is in existence in other countries between the employers and the employed; but in any case you cannot prevent a union coming to such straits. When men are thrown out of work we have to maintain those men and keep them from the workhouse, with their wives and families. A man may contribute week by week in order that he may receive a weekly sum, just the same as a man puts his money into the savings' bank, that he may receive it out when sickness or depression of trade comes, and he gets it out from us as a weekly allowance, the same as he would draw his

money from a savings' bank. No combination of employers or men could prevent that kind of thing taking place. A combination of employers and men could undoubtedly, if they felt disposed, adjust differences on wages without disputes, and that is what I am most anxious to see. As I stated just now, I have been on the north-east coast of England now for over six years, and the wages have gone up and down no less than seven times during that period, and during the whole of that time, affecting 8,000 men directly, it has never cost our society 1,000*l.*

14,957. Would not such an amalgamation of interest bring about a better feeling between the employers and the men than exists at the present time, and thus benefit the great trade of the country?—It might do, but that would depend entirely upon the conditions. If I could see it in detail, as you undoubtedly in your mind may see it, then I might say, as you say, that it would undoubtedly do that.

14,958. Would you agree with this, that, having regard to the condition which trade has got into, and the serious position which your trade is in as well as many others, it is absolutely necessary at the present time to try and find out the fault, if fault there be, and endeavour to put it right?—But the fault arises from the want of work. In our case, it is the falling off of shipbuilding which has caused our people to be out, and caused a terrible expense and drain upon our funds.

14,959. Does not it occur to you that one thing which would be likely to effect that end would be some reduction in wages?—I do not consider so, as reductions have been already submitted to.

14,960. Are you not of opinion that if work can be done in England at a less rate, the orders received would be larger and the benefit to the workmen greater?—No; the work cannot be done at a less rate than it is done at the present time. As I mentioned just now, we can get sailing vessels built for 9*l.* per ton at the present moment. That is less than one-half of their cost 20 years ago, and if that is not reduction enough I do not know what is.

14,961. (*Mr. Pearce.*) You say that ships cannot be built at a less cost for labour than at the present time; do you think that workmen could not live on 6*s.* a day instead of 8*s.*?—I think this, that a number of men at the present moment who are working day-work are only earning 6*d.* per hour, and there are hundreds of men in that class of shipbuilding who are not earning 6*d.* an hour working at day wages; and I say that a man cannot live for less than that.

14,962. (*Mr. Aird.*) Would not it be better for those 9,000 men who are out of employment at the present time if they cannot get 6*d.* an hour, would it not be better for them to take 4*d.* than to be idle and going about the streets doing nothing, and to have to fall back upon the funds of the society for the means of subsistence?—If they were to offer to work at 2*d.* an hour that would make no difference, because there is not the work for them to do.

14,963. It does not then occur to you that if the cost of production could be lessened many more orders would come to England?—Certainly not.

14,964. The idea of over-production is strongly in the minds of trades unions?—There is the fact that on the Tyne at the present moment there are 120 vessels lying up with nothing to do, and no one in the world would build vessels if they had not got work for them. If the men were to offer to-day to work at 2*d.* an hour, the employers would not lay out a lot of money in building vessels.

14,965. But large orders for ships go abroad, and ships are being made abroad. If they could be made at a less rate in England, in all probability would not a certain proportion of those orders come here?—Yes; but all the orders do not go abroad. Taking last year, and taking the whole of the Continent, including America, there was more shipbuilding, I believe, in two of the yards on the Tyne than on the Continent, putting the whole of them together; and therefore they do not go abroad, it is not the fact.

*Mr. R. Knight.*

2 June 1886.

*Mr. R. Knight.* 14,966. (*Mr. Pearce.*) Are you now stating a fact? —I am speaking of facts.

2 June 1886. 14,967. (*Mr. Drummond.*) Mr. Aird has two or three times used the words "antagonism between the employers and the workmen," and he has also used the phrase "bad feeling;" do you admit that there is any such antagonism existing?—None whatever between us and our employers.

14,968. Could the relationship between the employers and the workmen, taking your industry as an example, be better than it is now?—I do not think it could.

14,969. (*Mr. Aird.*) Is not the present strike on the Clyde an illustration of feeling to which I alluded?—I am not prepared to go into the disputes at the Fairfield Works on the Clyde, because I do not know the facts of the case, and therefore it would be unwise for me to say anything about it one way or the other.

14,970. But that does not quite bear out the answer which you have given to Mr. Drummond's question, seeing that there is that strike existing at the present moment between the masters and workmen, where 420 men are out of work?—Taking the 420 men, as stated by Mr. Pearce, I do not suppose that there are 50 of them who are members of our association.

14,971. (*Mr. Pearce.*) Will you allow me to say that you are again making a statement which is hazardous? The whole of the riveters, and I daresay a great number of the holders-on, are in your society?—I did not think, from a letter that I have received, that there are 50 of them that belong to us; there may be helpers and others in connexion with them.

14,972. With regard to the statement which you made just now, that two yards on the Tyne would do all that is being done abroad, I find from the figures in your own statement that last year there were 624,658 tons built altogether, of which 449,825 tons were built in this country, leaving about 175,000 tons to be built abroad; will you be good enough to name the two yards which you said built as much as that last year?—No; but that 175,000 tons includes the Government work too. I was referring specially to the mercantile tonnage when I made that statement as to the two yards on the Tyne.

14,973. It clearly states here that it was for mercantile employment?—It includes Government work.

14,974. (*Mr. Aird.*) You spoke of emigration, and you suggested that it would be very desirable for it to be encouraged in the agricultural districts, in order to prevent men coming into the towns to interfere, as they have done, with the industries in which you are engaged. That may be a very convenient way of getting rid of the additional supply of labour, but what will be the feeling of your workmen themselves as regards emigration; would it be in favour of emigration if it was encouraged and directed by the State?—Yes.

14,975. Would the members of your association be in favour of it?—Yes, they are quite in favour of it.

14,976. You made, in the statement which the noble chairman has had before him, some two or three remarks which I should be glad if you would explain,

that is to say, as regards the introduction of machinery, and it suggests that it has had the effect of increasing the production and supplanting labour, and then you make use of this somewhat remarkable expression:—"Machinery is made that the workman might not be made a machine of, and he thereby has leisure to live, leisure to love, and leisure to taste his freedom." Does it not occur to you that in the view of the case here suggested, the workmen would have much more leisure than is good for them; do not you think that too much leisure time encourages in the working class habits of idleness, and encourages them to spend more money than they can afford, and that that is one of the main causes which have brought about the present depression of trade?—No, I do not mean to say but what the shorter hours may, with some very unwise men, have operated as you say; but I maintain that the large majority of working men have benefited by the shorter hours, the masses of men have been benefited by them.

14,977. Do you think that the workmen are as happy now on a Sunday as they used to be years ago, when the workmen continued to work on Saturday until four or five o'clock, instead of leaving off, as at present, at one o'clock?—I should think that a working man would be very much happier now, or else he must be a curious animal if he was not, because machinery has been a blessing to the world, and should be a blessing; because machinery increases the power of production, and the working man should also receive the benefit of the introduction of machinery, as he has done by lessening the hours of labour already, and if it was necessary we might still further lessen the hours of labour. The Saturday afternoon has been a great blessing to our working people. A workman looks after the interest of his home and his family, and is able to take his wife and his family to the market, or for a walk in the country, which is the only opportunity he has for doing so. And he has then the opportunity, if he feels disposed, and I think the large majority of them do feel disposed, to go into the fields and lanes in the country, and to go to church or to chapel on the Sunday, and to take his wife and family with him. The shortening of the hours, and giving him the Saturday half-holiday, enables them to do this, whereas if he worked up till late on Saturday night, he is just made sleepy on the Sunday, and all that he would then care about would be perhaps to lie in bed, or to go and spend a portion of his time in the public-house.

14,978. Do you believe that the effect of the Saturday half-holiday movement has added to the cost of production?—Not in the slightest degree, so far as we are concerned.

14,979. But so far as the manufacturer or the employer is concerned, if he starts on the Monday, and on the Saturday works then only for half a day, the work remaining idle for a day and a half, does not that add to the cost of the machinery by the loss of nearly two days' work?—I think more work is done at the present moment, on account of the introduction of machinery, and the rapidity with which those machines are driven since the introduction of the nine hours' system, than was before the nine hours came into operation.

The witness withdrew.

Adjourned.

## THIRTY-SEVENTH DAY.

Friday, 6th August 1886.

PRESENT :

THE RIGHT HON. THE EARL OF IDDESLEIGH, G.C.B., IN THE CHAIR.

SIR J. ALLPORT.  
MR. J. AIRD.  
MR. T. BIRTWHISTLE.  
SIR J. P. CORRY, BART., M.P.  
MR. C. J. DRUMMOND.  
MR. H. H. GIBBS.  
MR. W. H. HOULDSWORTH, M.P.

MR. G. A. JAMIESON.  
MR. P. A. MUNTZ, M.P.  
MR. R. H. INGLIS PALGRAVE, F.R.S.  
MR. W. PEARCE, M.P.  
PROFESSOR BONAMY PRICE.  
MR. SAMUEL STOREY, M.P.

MR. G. H. MURRAY, *Secretary*.  
MR. T. H. ELLIOTT, *Assistant Secretary*.

Sir THOMAS FARRER, BART., examined.

Sir T. Farrer.

6 Aug. 1886.

14,980. (*Chairman*.) As the late Secretary for many years to the Board of Trade you have had opportunities of noticing and gaining information with regard to several of the questions which are brought before this Commission; and there are two questions especially upon which we were anxious to have the benefit of your advice and information. One is with regard to the question of railway rates, and the other is with regard to the law of limited liability companies. I propose to begin with the railway rates; have you read the evidence which has been appended to the Second Report of this Commission upon that subject?—Yes, I have read the evidence upon that subject, and the Secretary of the Commission has been good enough to give me a short abstract of the purport of the further evidence.

14,981. Will you state to us the complaints that are made, and any observations that you have to make upon them?—I think the complaints may be said to be two-fold—first, that railway rates on goods in this country are generally too high, and higher than the foreign, especially than the German, rates; and, secondly, that some places trades and persons are charged more than others, and especially that foreign imports are favoured by specially low rates; I think these are the two chief complaints.

14,982. With regard to the first of these complaints, as to the general high rates, what is your opinion?—I observe from the evidence given before this Commission by Sir Lowthian Bell in questions 2083 and 3735, as well as from what we have also known at the Board of Trade, that as regards one large class of goods, namely, minerals and iron, the rates are on the whole in this country as low as or lower than they are in any foreign country. Then I observe, in the second place, that English railway companies do not, on the whole, make excessive profits. I have here the last railway return for the year 1885, which, I think, is not yet published,\* and in that is given a column showing the net receipts upon the whole of the railway capital, and I find that the highest net receipt upon railway capital was in 1872 when it was 4·74 per cent. I find that this net receipt decreased gradually down to the year 1879, and it then rose again a little.

14,983. What had it fallen to in 1879?—To 4·15; in 1881 to 4·29, in 1882 to 4·32. Then it goes down again to, in 1883, 4·29, in 1884 to 4·16, and in 1885 to 4·02; so that it has now gone lower than it has ever been; and on the whole there has been an almost continuous decrease since the highest point in 1872.

14,984. Do you consider that under these circumstances it would be fair to the companies to lower the rates generally?—No; I think not. It seems to me that railway companies have shared in the depression

with other industries; and if it is true that any of the depression is due to the appreciation of gold their net profits show that just as much as prices show it. I do not know that it is worth while going here into the effect which that appreciation in gold would have upon working expenses, loan, capital, and dividends. It is clear that on their working expenses railway companies would gain by a depression of prices; on loan capital they would have to pay as much as before; as to dividends, I believe when we come to look at the way in which railway rates are determined they would not be able to keep up their rates, and that the loss would fall upon the dividends of the ordinary shareholder.

14,985. It is said that English rates are higher than German rates; have you any remarks to make upon that point?—It must be remembered in the first place, that, as I have said already, the lowest rates, the rates upon minerals and upon coal, are lower, probably, in England than they are elsewhere, and the higher rates are those upon other descriptions of goods. It appears that the fixed charges of a railway depend very much upon the cost of construction. English railways have cost in construction about twice as much as German railways. I think English railways are estimated to have cost on the average about 40,000*l.* per mile, and the present tendency of things is to make them cost more and more per mile; the cost per mile has increased, I believe, something like 16 per cent. in the last 11 years.

14,986. Why should they cost more and more per mile?—I suppose it is because the additions that they have to make are more and more expensive. They have to buy land for stations in towns; they have to make duplicate lines, and other matters of that kind, which are extremely expensive. It is to be remembered that this greater cost of construction was due partly to our parliamentary system, which undoubtedly imposed a great burden upon the railways; and partly also to the very high price which railway companies had to give for land. We all know that they were, as we may say, plundered. If comparison is made with German railways it is also to be remembered that the German Government was helped in buying its railways by the French indemnity, and that their railways cost only 21,000*l.* per mile. I may mention here that, according to a good railway statistician, European railways generally have cost about 23,000*l.* a mile; the United States railways, which are much less perfect things than the English railways, have cost about 12,000*l.* a mile, against the 40,000*l.* per mile of the English railways, and the interest upon that money has to be paid for somehow.

14,987. What have you to say to the observation that foreign countries have the benefit of internal water competition?—It is said that our canals and

\* Subsequently published, C.—4826, of 1886, page v.



*Sir T. Farrer.* internal navigations have failed; but competition by sea is a much more thorough form of competition than any competition which exists in any foreign country. I believe that competition by sea really rules English rates. It is the Joint Committee of 1872, I think, which said that something like three fifths of the places in England to which goods are carried by railway were affected by sea competition. I should be disposed now, looking more into it, to put it still higher than that. I would point out that competition by sea affects not only transit from port to port, but transit from ports to inland towns. For instance, Liverpool, Hull, Newcastle, and London with the different railways which come to those ports compete for the trade of inland towns; so that trade, we will say, from America to the Midlands is competed for by London, Liverpool, Hull, and Newcastle, and by the railways which go from them, as well as by the railways which go direct from Liverpool to the Midland towns. I think, therefore, that when we are told that the railway companies are a monopoly we should remember that there is really far less monopoly than is generally supposed, and that in this country there is probably less monopoly than there is in any other country.

14,988. Do you consider that you could state broadly that no charges are too high?—No, certainly not; I would not on any account say that. I do not know enough about them to say that. I daresay that some charges are too high. I think it exceedingly probable that the railway companies may occasionally oppress a place over which they have absolute power. I think it probable that some companies are blind to their own interests, and have not sufficiently developed local trade. Nor can I for a moment countenance the claims of railway companies to be exempt altogether from parliamentary revision of their rates. Those claims seem to me to be preposterous, but I have given the reasons why I think that it would be idle, so long as the present system of private companies is maintained, to look for any great relief to trade by a general compulsory lowering of railway rates; and I have also referred to sea competition for the purpose of showing that there are in the great majority of cases in the circumstances of this country natural conditions and commercial motives which are much more effectual in keeping the rates down than any parliamentary revision would be.

14,989. What do you consider to be the different forms of competition with which the railways have to contend?—There is, first of all, the sea competition which I have mentioned. Then, although the railways themselves always settle rates so that they are not competitive rates, they compete in speed and in accommodation, and in opening new routes; sometimes perhaps they may compete over too keenly in trying to take traffic from one another. Then there are canals, which is a less important form of competition. There is still some competition by canals, especially in the North of England and the North Midlands, and perhaps it might be as well while mentioning canals to dispose of that subject at once. I may say that I agree generally with the evidence which was given by Mr. E. J. Lloyd on the subject of canals. I do not agree with Mr. Marshall Stevens' evidence at all, but I agree with Mr. Lloyd's evidence. These are the two gentlemen who have given evidence to the Commission about them, and I think the most important of Mr. Lloyd's complaints was this, that where a railway company is possessed of a part of a going canal, a canal which is still able to carry on traffic, the railway impedes the through traffic by imposing heavy rates on the portion of it which is under the management of the railway. That is said to be the case in Birmingham, and I believe that there are other cases in the Midlands. The railway companies originally purchased the canals under circumstances which gave them bar tolls and gave them the power of imposing heavy rates, and in some cases those rates still continue. There is one very notorious case in Birmingham where the Railway Commissioners under

the Act of 1873 ordered through rates and where the Court of Law upset their decision on the ground that there had been an agreement between the London and North-western Railway Company and the Birmingham Canal Company, and that the London and North-western Railway Company ought to have been made a party to the suit, and that the Railway Commissioners had no power to make an order against the two parties because of this agreement. In my opinion, any agreement of that sort, even if confirmed by Parliament, ought not to stand in the way of the policy of a general Act giving the Railway Commissioners power to order through rates. Then I agree with Mr. Lloyd that we ought to have much more perfect statistics of canals.

14,990. (*Sir J. Allport.*) You said you believed that there were canals in the Midland district in the same condition as the Birmingham Canal; could you name any other canal?—No, I am not come prepared to do so. I could come prepared with the details if it was wished. I am going to mention one case now, because it illustrates a much more difficult subject; the subject of canals which cannot be worked by canal companies so as to pay their expenses. There have been many complaints that railway companies have got possession of canals, and have then neglected them and allowed them to fall into disrepair; in fact, that they have become unused altogether. That is a very difficult question, because at the commencement when railways were first started, Parliament thought it desirable to encourage railways as against canals, and railway companies have thus become possessed of canals. Some of them they have continued to work, but others they have not continued to work. Again, other canal companies have got into difficulties and have been unable to compete with railway traffic, and they have then come to Parliament and have said, "The railway company is willing to buy us, we are 'unable to carry on our own business,' and Parliament has not unnaturally agreed to sanction such arrangements. The Committee of 1872 reported strongly that such arrangements should not be allowed, and I will just mention one case which is now pending which shows what extreme difficulty there is in preventing such arrangements. There is a canal which joins the Thames and the Severn; it joins the upper waters of the Thames which have been long unnavigable, but it also joins the Thames at Abingdon, and thus forms a communication between the Thames and the Severn. For a long while the owners of this canal endeavoured to keep it on its legs, but it could not compete with the Great Western Railway. The Midland Railway Company then proposed to buy it. To that the proprietors of other canals which carried on their traffic through it objected, and the Board of Trade endeavoured to make an arrangement by which the proprietors of the other canals might become the owners of this canal, and thus control the through navigation. That arrangement fell through, and the Great Western Railway Company have since, in an indirect method, obtained the control of that canal, and the complaint is they are now letting it get out of repair and are not carrying on the traffic. The fact is that the owners of the canal could make nothing of it, and they proposed to sell it to the Midland Railway Company. That was stopped. Then they proposed to sell it to the Great Western Railway Company, which could not be done, except, as it was done, in an underhand way; and now the Great Western Railway Company are in possession of and are controlling the canal, they yet not being the owners of it; so that no proceeding can be taken against them for the purpose of compelling them to maintain it. That particular legal difficulty might be cured if you were so to frame your Act as to get at the Great Western Railway Company; but that does not get over the real difficulty; the real difficulty is, how are you to keep an insolvent canal in a proper condition? You cannot require either the canal company or the railway company to carry on an insolvent business; you can prevent the rail-

way company from getting possession of it, but the only result of that would be that the canal would be stopped. Therefore, I do not see my way to keeping on its legs a canal which, by competition or otherwise, has become insolvent. I may just mention that the maintenance of canals was subject of an investigation before a parliamentary committee two or three years ago. That committee was never re-appointed, and I think they came to the conclusion that they could recommend nothing that was of any great value.

14,991. Was not evidence given before that Canal Committee, and have you got the report?—I have not got the report.

14,992. (*Chairman.*) With regard to the complaints which have reached our Commission they have come very much from inland towns and from agriculturists; do you think that those classes are more injured by want of competition than other classes?—Yes, I think they are. The people who are in the sea ports of course get the whole benefit of the sea competition. The people who are exporting and importing get the benefit of it in the way which I have mentioned, but the agriculturists who have nothing to export and who only want to get their goods carried from place to place in the country are the persons who get the least benefit from the sea competition. But I think it must be remembered with respect to both those classes that they have received more benefit in comparison with the previous state of things from railways than people at the sea ports, because the people at the sea ports had sea carriage before, whereas the people of the inland towns had no such means of conveyance as those which the railway companies have given them, and they have therefore received a larger proportionate advantage from railways.

14,993. With regard to the second head of complaint "Discrimination in rates or undue preference," will you be so good as to favour the Commission with your view upon that subject?—This is by far the most troublesome and difficult question of all, and I believe there is no part of the world in which it is not agitated at the present moment. It is being agitated in America, and in France there has been a long debate upon it this session, in which great complaints were made of what they call *tarifs pénétratifs*, that is, low rates on through imports; and in Germany, where they have endeavoured to get rid of differential tariffs altogether, the subject still is cropping up, as I shall mention hereafter. Everywhere, I believe, there is a struggle against discrimination and against preference, and everywhere discrimination and preference prevail more or less. Nothing can be more natural than that a man who sees his rival's goods carried past him at a lower rate, or that a man who has goods for export carried for him at one rate, and goods for sale at a higher rate, should complain. But when the matter is carefully looked into there is more in the question than appears at first sight. The question is, how far those persons really suffer by this inequality and how far would they and how far would the country gain by its removal. I think, in the first place, we have to consider what is meant by undue preference or by discrimination. There is very often a tacit assumption that there is some standard from which railway companies are departing when they discriminate. Sometimes you hear of reasonable rates as the supposed standard; but that really means nothing; it has no meaning at all. Then you hear of equal mileage rates, but we at once see that one mile of railway will cost more than another mile of railway, and that the expense for hauling is more on one mile of railway than another; and so the opponents of discrimination are driven from that. When the idea which lies at the bottom of the objections to discrimination is analysed, I think it really comes to this: that the rates ought to be proportioned to the cost of the service; or, on the other hand, that a railway company should make an equal profit upon all its transactions. I believe that is the standard from which people think that railways depart when they dis-

criminate or charge differential rates. Assuming this to be the case, I think we may say that there are three different forms of discrimination which may be distinguished from one another. First of all, there is discrimination as to the nature and value of goods. I prefer the word "discrimination" to "undue preference," which is the word which our law uses; "discrimination" includes all forms of differential charge right or wrong; whilst "undue preference" prejudges the question. There are three forms of discrimination, that is, three ways in which the standard of equal cost of service or equal rates of profit may be departed from. As I say, there is in the first place one founded on the nature and value of goods. Now this form of discrimination is admitted in every railway tariff, even in Germany, where they have tried to make the rates as equal as possible. It costs as much or nearly as much to haul a ton of manure or of coals as a ton of silk, and yet goods are always classified so as to put the smallest charge on the bulkiest and the cheapest goods. There are two observations to be made upon this form of discrimination: first, that it is absolutely fatal to the idea that you can base any tariff on equal cost of service or on equal profits; and secondly, that this discrimination favours the agriculturist and the landowner. The things which he wants to have carried are lime, manure, timber, coals, ores, corn, and so on, and they are bulkier and cheaper than manufactured articles. If, therefore, cost of service is to be the standard, he would lose by the change; he now gets the benefit of a lower tariff upon those articles than the man who sends merchandise. It is not, therefore, to his interest to advocate equal rates based on cost of service. Then, secondly, there is what we may call "personal discrimination" that is to say, a capricious or corrupt or short-sighted preference of one person, trade, or place to another. This is universally condemned, and it ought to be and is prohibited by our law, and by the law of many other countries. It cannot, in the long run, be the interest of the railway companies themselves. But the real difficulty lies in distinguishing this form of preference from others, and especially from the one which I am now coming to. The third form of discrimination is founded on commercial motives, that is to say, on competition. This competition may be of two kinds: in the first place, where there are competitive routes between the same places; and in the second place, where if more distant goods are to compete in the same market they must be charged lower rates. This is the form of discrimination about which the contest rages. When I speak of longer distance, it must be remembered that you may haul goods for a long distance at a less cost per mile than you can haul them for a short distance; but I put that out of the question, it is not that. There is an element totally different from the cost of service which constantly induces railway managers to make low charges for distant goods, and this is, that you must put a lower mileage charge accompanied by a lower rate of profit upon goods from a distance, or else you will not get them into the same market with goods from a nearer place.

If I am not wearying the Commission I should like to take a few instances, and I should like to take the home traffic first, in order, that we may get rid of the prejudice attaching to foreign imports. Take the case of coal. Coal is brought to London from the North, from South Wales, and from the Midlands. The rates are lower for the longer distances, partly on account of the sea competition, and partly in order to obtain the traffic which would be excluded by higher rates. What would be the consequence of abolishing the lower rates? I am told, though I do not vouch for it, that the Midland Railway actually carry coal from South Wales round by Birmingham to London at the same charge at which the Great Western Company carry it, of course charging a very low mileage rate upon the coal. Now let us consider what would be the consequence of abolishing the lower

Sir T. Farrer.  
6 Aug. 1886.

Sir T. Farrer.

6 Aug. 1886.

rates and requiring the companies to charge equal mileage upon all their coal, or to make equal profit upon it. The Midland collieries would gain; those which are nearest to London would get the control of the London market; but the more distant collieries, those of South Wales and Durham, would suffer; possibly the more distant coal might be driven to come by sea, and possibly the Midland collieries might in that way not get as much as their shorter distance from the market would otherwise give them; but at any rate if the rate were raised for the Midlands, London would suffer. The case would be precisely the same with regard to Lancashire. Somebody took the pains this year to analyse the rates to the Lancashire towns from all the different coal fields, and precisely the same thing was the case as in the case of coal for London. The railways universally charge the lower rates from the more distant coal fields, and if you abolish the lower rates or require equal mileage or equal cost of service and equal profits the Lancashire coalowners would gain very largely, but I think the Lancashire towns would complain very loudly. I will not trouble the Commission with reading details; but if you will allow me I will put in a statement taken from Mr. Baxter's evidence before Mr. Evelyn Ashley's Committee in 1882, which gives the actual facts of the charges upon coal to London from the different coalfields. (See Appendix.) Then, again, milk is brought to London from distances varying from 10 to 100 or 150 miles, always, I believe, at lower rates for the longer distances. I do not know what London would say if you were to confine the supply of milk to Hertfordshire and Middlesex and Surrey. Beasts and meat are brought to London from Aberdeen at lower rates than from intermediate places, because if they were not carried at those lower rates by land they would be carried at a lower rate by sea. This is a complaint, which, I think, was made before one of the recent Commissions, that beasts from Perth are charged actually more than beasts from Aberdeen. What would be the result of requiring equal rates? Simply that the beasts would go from Aberdeen to London by sea, and the owners of the beasts in the neighbourhood of Perth would be no better off. The shipowners would be better off, but the railways would suffer, and possibly the London market would suffer from the want of competition. Fruit and vegetables are carried from south to north at specially low rates, and one of the complaints recently made to the Board of Trade (for the complaints which are made are often inconsistent with each other) is the complaint of Manchester, which was that they were not carried from the south to Manchester at sufficiently low rates; whilst if that were done such rates would probably be the subject of complaint on the part of the vegetable growers in the intermediate places. Fish, again, is brought from Scotland at much lower rates than from Yarmouth and other nearer English ports; and one of the chief demands that has been pressed upon the Board of Trade this year is for still lower rates from the Scotch ports. If those differential rates were abolished Yarmouth might gain something, but Scotland and London would suffer. Mr. Osborne has told you at Question 3296, that iron wares are carried from Sheffield to Aberdeen at specially low rates, because there is water competition. If the railway companies were obliged to charge the same rates as they do to intermediate places, the only people to gain would be the canal proprietors and the shipowners.

These are all cases within the country, and I want to show that precisely the same principle governs railways in making their differential rates within the country as governs them in making differential rates for exports and imports: they all stand on precisely the same grounds. Specially low rates are given for exports and imports, because without them this trade would not exist. Mr. Gribble has told you that Manchester goods sent to London for export are charged 25s. against 40s. charged upon Manchester goods sent to London for sale. Something may turn upon the difference of

packing and the consequent cost to the railways, but that is not the only or the main point. The main point is this, but for the lower rates the Manchester goods would go to Liverpool for export. Manchester thus gets the benefit of competition between London and Liverpool, and Mr. Gribble gains instead of suffering, because otherwise he would not get the export trade in those goods at all. If the companies were obliged to charge 40s. for export goods, no one would gain except the Liverpool shipowner. Specially low rates are given for Sheffield goods sent to Liverpool for export, because without them, Sheffield would not be able to export, as Mr. Osborne has told us. I wish to point out that these are cases of export, and with regard to them there have not been so many complaints. The complaints are of the imports; but of course the low import rates and low export rates stand economically precisely on the same footing.

It is specially of low rates for the import of agricultural goods that the chief complaints are made, and these complaints are, as I have said, louder and more formidable than those of the traders because manufacturers benefit by low export rates, whilst agriculturists do not export, and therefore do not get the benefit of low export rates. I will take some cases of differential agricultural rates. One of the complaints made has been that vegetables carried from Penzance to London by the Great Western Company are carried at improperly high rates, and that those rates are higher than the rates on other railways for the same vegetables carried from Jersey and Guernsey, and not so low as the rate for vegetables carried from Jersey and Guernsey by the same railway, the Great Western Railway, from Weymouth. I am not quite sure about that, but I think it is so. I happen to have come across various persons concerned with that vegetable trade, and I find that these are the facts. First of all, there is a competition from the Channel Islands to London carried on by boats from the Channel Islands to Weymouth, and by the Great Western to London, by boats from the Channel Islands to Southampton, and thence by the South-western Railway Company to London, and by boats from the Channel Islands to Newhaven, and thence by the Brighton Railway to London, and by boats to Harwich and thence to London by the Great Eastern Railway. All those different routes compete with one another, and that competition is the reason why the rates are so low. Not only so, but those vegetables are carried in steamers from the Channel Islands to Hull, and to Liverpool, and are thence carried at low rates into the Midland districts. I do not say that the complaint of high rates charged by the Great Western Company from Penzance may not have been well founded. The high rate by the Great Western Company from Penzance was, I am told, met in this way: a steamer was started from Penzance to Plymouth, where the South-western Company have a station; and the South-western Company carried vegetables at low rates from Plymouth to London; and then that brought down the Great Western Company's rates. I do not vouch for this, but I have heard it. Undoubtedly it is true that the London and North-western Company at one time got some steamship owners to start a steamer from Penzance to a South Wales port, and thence carried the Penzance vegetables at a very low rate into the Midlands. To put a stop to all that by requiring equal mileage rates upon all those railways would surely put a stop to a most valuable trade, and it is extremely doubtful whether Penzance, which is on the sea, and which must, sooner or later, get the benefit of sea competition, would benefit by any such rates; for Penzance itself is at a very great distance from London compared with many other places from which vegetables are sent to London.

There is one case which has been much complained of, and I see that the complaint has been repeated before this Commission; that is the complaint that foreign cattle are carried from Newcastle and other northern ports on the Tyne and the Wear and from Hartlepool to the Midland towns at much lower

rates than the cattle from the neighbouring country are carried. It is a question which has been mooted before a great many committees and commissions, and the story is this: Originally the railways from these northern ports to the Midlands and the railway from Hull to the Midlands were in the hands of separate companies. The northern railways, in order to compete with Hull and its railways, charged specially low mileage rates on imports. When the amalgamation between these railways was effected, forming the present North-eastern Company, it was promised to those northern ports that they should not lose the benefit of those specially low rates. The promise was not put into any Act of Parliament, but it was a promise upon which the North-eastern Company have held themselves bound to act; and they consequently retain those specially low rates for foreign cattle imported into the northern ports. I believe that if they consulted their own interests and held themselves free from that promise they would be glad to make a change, and to charge the same rates from both ports, in which case they would carry the same foreign cattle by the shorter route, namely, from Hull to the Midlands for the same money which they now get. I understand that to be the case; but that they hold themselves bound by the undertaking then given to the northern ports. But however that may be, what I want to point out is this, that the question is really not one between the owners of cattle in the north and the foreign cattle owners; but between Hull and the northern ports. Supposing that to-morrow you did away with the agreement which compels the North-eastern Railway Company to carry at the same price from the northern ports and from Hull, the only result would be that the foreign cattle would go by Hull, and would get to the Midland towns at the same charges at which they now get to those towns, and would compete with the northern cattle on precisely the same terms on which they now compete with them. The difference would be that the Hull people would get the benefit of the traffic instead of the northern towns. Two or three times the people in Hull have proposed to litigate that matter before the Railway Commissioners, and I believe the reason why they have not carried on that litigation is that Hull itself benefits largely by unequal mileage rates, since it gets a good deal of the traffic through Hull to the Lancashire towns which, if the shortest railway route were preferred, would go by Liverpool. Then there is the much-mooted question of hops from Boulogne. I rather think that that has been settled now; I rather think that the South-eastern Railway Company have either raised the rate on foreign hops or lowered the rate on English hops. The point that I wish to call attention to is this,—that Sir Edward Watkin has told us that this was done, and that the result is that they go by the Thames at a lower rate than ever. It needs as great an authority as Sir Edward Watkin to satisfy me that the abolition of one competitive route lessens the charges on the other. Sir Edward Watkin used to give a very low rate for foreign hops from Boulogne, a much lower rate than he gave to Kentish hops. This was a great subject of complaint, and it has been done away with, either by raising the rate on foreign hops or by lowering the rate on English hops; the consequence is that the railway no longer favours foreign hops, and Sir Edward Watkin tells us that the result is that foreign hops go now cheaper than ever by sea to London. I say that it needs such a great authority as Sir Edward Watkin to satisfy me that the abolition of one competitive route lessens the charge on another. It is sufficient for my purpose to know that they do go to London by sea *as cheaply* as they used to go by railway, and that, so far as competition goes, the Kentish hop-owner gets no benefit from the equalisation of rate.

14,994. (*Mr. Muntz.*) Might not Sir Edward Watkin's statement be taken as accurate, in consequence of the development of steamers?—Then in

that case the steamers would have brought down the railway rate equally, which is quite possible, only I do not think that it can be in consequence of the abolition of a competitive route.

14,995. (*Mr. Aird.*) Will you now take the case of fruit from France?—Fruit and vegetables come to us from Italy, and from the South of France for exactly the same sum; not the same mileage rate, but the same sum for which they are carried to Paris. If that were done away with it might be a good thing for the vegetable gardens of Kent and Sussex, and the North of France; but it would be a bad thing for London. Then there is the case which has been very much complained of, of American meat and provisions from Liverpool. Before all the Commissions and Committees there has been a complaint that foreign consignments of meat are charged 25s. a ton to London, and that home consignments are charged 50s. a ton. Now the answers to these complaints are as follow. In the first place, there are differences in the cost of service. In the one case there are full trucks and in the other case the trucks are not full; in the one case they are in full trains and in the other case they are not in full trains. The truck loads are larger with foreign meat and there is no stoppage. But that is not the only point; the most important reason for the difference of charge is the competition by sea, and if the American provisions did not go from Liverpool to London by this route they would go to London by sea, and in that case the English farmer would gain nothing. The same thing is the case with regard to corn, of which I believe very little goes by rail from port to port in this country, because the railways cannot compete with the steamers. Then with regard to American beasts from Glasgow, there is a complaint of precisely the same kind with the same answer; it is in fact the same case. I am told that in that case the railway companies have granted foreign rates to home produce where it amounts to 20 tons, but that they get very little on those terms.

There is one other case which was recently mentioned to me which is interesting, and which shows what very delicate and complicated things these charges are. The Great Northern Railway and the Great Eastern Railway carry foreign grain from London into the Eastern Counties at a slightly lower rate than they carry grain from either of those counties to London. That sounds at first sight as if it were very unfavourable to the grower of grain in the Eastern counties, but the real reason is this: The companies are quite willing to carry grain either one way or the other at whatever rate will pay them best, but the local millers in the Eastern counties need the hard, foreign grain to mix with their soft grain at home, and if they could not get that the English grain would have to go to London to be ground. The local millers give the local farmers higher prices than the local farmers would get if they had to send their grain all the way to London, so that the English farmers are not damaged; and the practice of the railway companies keeps up the milling trade in the Eastern counties.

I have taken the import rates about which there have been the greatest number of complaints. I think it is scarcely necessary to say that the import rates so far as this question is concerned stand on precisely the same footing as export rates, and that it would be impossible to allow specially low export rates and prohibit specially low import rates without being guilty of a gross form of protection. It is what foreign countries do, but it is what we should never think doing. It must be remembered that through import rates in France, which are so much complained of, are through export rates in England, and *vice versa*. All countries, even Germany, admit through export rates, but Germany does not admit through import rates. Under Prince Bismarck's present system they have endeavoured to equalise rates. Before the recent changes of railway management in Germany, there were a great number of through rates, both export and

*Sir T. Farrer.*

6 Aug. 1886.

Sir T. Farrer.  
6 Aug. 1886.

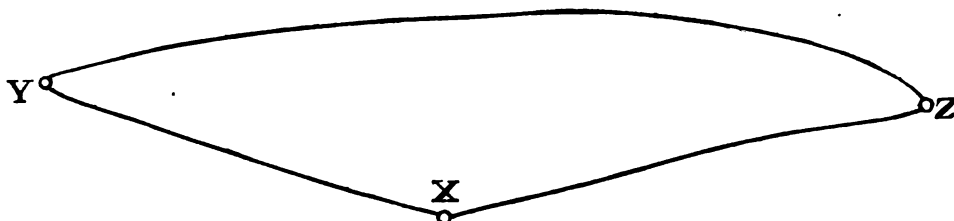
import rates ; but when the change was made by which the railways all came under the control of the Prussian Government they did away with those rates, both for export and for import, their principle being to make through rates and local rates the same everywhere. It is very curious to see the effect of this policy. These are facts which I get from Mr. Crowe's Report in a Parliamentary Paper of 1881, in which he says :—"The effect of this policy, followed also, it seems, in Russia, has been to divert, and, of course, in diverting, to diminish traffic. The trade through the German ports of the Baltic from England, from Russia, and from Austria, is diminished. English coal and iron ceases to be imported by that route ; Russian corn goes to Russian ports, and Austrian produce to Trieste and Fiume. Coal goes from Westphalia to Hamburg, but the return waggons, instead of carrying English iron, become expensive empties. One case is very remarkable, because it presents a special analogy to the case of English railways. Mannheim is the great centre of South Germany for corn, sugar, and tobacco. The local rates for these goods in the hands of the old companies were higher than the through rates. The German Governments levelled up the low through rates to the standard of the local rates, whereupon the Mannheim merchants sent their goods by the competing route of the Rhine. The German Governments were thereupon compelled in self-defence again to adopt the differential rates of the old companies, and the low through rate is, in this case preserved."

Then further difficulties arose. The abolition of the through rates—this through rate told very badly upon the Austrian produce which used to be sent through Prussia to the northern ports for export. The Austrian Government were much troubled: "Some of the traffic, instead of going northward *via* Prussia, went southward *via* Trieste and the Mediterranean. But there was a more direct way of evading the trouble. The River Elbe runs from the Austrian frontier right through the heart of Prussia to Hamburg. By putting steamers on the Elbe, Austria obtained a through rail and water route independent of Prussian rail connexions. By making use of the Bavarian railroads (which were not under the control of Prussia) Austria was also enabled to carry her products to the Rhine, and thus ship them to Holland, Belgium, or England. The Prussian roads felt the loss of their through traffic. The Government withdrew from its extreme position, and attempted a partial compromise with Austria. This was rejected. They then tried retaliation. They made connexions with Danube steamers to prevent the Austrian roads from getting Prussian traffic. And thus we had the curious

"spectacle of a fight of Austrian railroads and Prussian waterways on the one hand, against Prussian railroads and Austrian waterways on the other. Each party succeeded in causing the other a good deal of inconvenience, but neither party was able to make foreign traffic pay domestic rates." This last quotation is from a book from which I have learnt more than from any other book that I have about railways ; it is an American book, "Hadley on Railroad Transportation, its History and its Laws" recently published by Putnam. That is not all. The German Government, as I have said, had set themselves against those through rates, but I find in the evidence given to this Commission, and I find also in the recent reports made to the Board of Trade, that the ports of Hamburg and Bremen and the northern ports have said to the German Government, "We cannot compete with Antwerp and Rotterdam and Holland unless you give us through rates," and so the German Government have been obliged to give specially low through export rates to Hamburg and Bremen. Then again, I know that a very short time ago, there was a proposal which was, I believe adopted, that special through export rates should be given to coal from Westphalia *via* St. Gothard in order to enable the Westphalia coal to compete in Italy with sea-borne coal from England. It thus seems that the German Government with all their power and their autocratic systems of management are compelled to adopt differential rates.

I might multiply these cases *ad infinitum*. In all the cases mentioned to require the companies to charge equal mileage or to make equal profits would deprive them of fair profit and the country of low tariffs. In most of the cases—in all of those in which there is a competing route—to abolish discrimination would do no good to the rival producer, and would only do good to the competitive route. In some of the cases, for instance, coal, milk, and fish, to do away with the low rate for distant traffic would benefit the nearest producer by giving him a monopoly, but it would terribly injure the London or the Lancashire consumer as well as the distant producer : it would be a distinct evil to the community.

There is one more case I will mention, which struck me very much. We have often had the proposal before us that a railway company shall not be allowed to charge less for a longer distance in the same route than for a shorter distance. In some of the States in America, they have what they call the "Short-haul clause," which embodies this proposal, and I do not think that the railways themselves make any very great objection to it: But, on the other hand, here is a case which has actually happened in America, an actual case. Z. is



a place, Philadelphia, I believe, in which there is a large consumption of oysters : X. is a place where they catch oysters in limited quantities, and from which there is a railway to Z. Y. is a place further off on the coast, at which they also catch oysters. There is a railway from Y. to X. which is continued to Z. ; and there is also another inland railway from Y. to Z. The X. people applied for a train to carry oysters from X. to Z. The railway company said, Yes, we will do so. But they found on trial that the quantity of oysters sent from X. to Z. was not sufficient to pay for carrying them. The price charged was a dollar per hundredweight from X. to Z. Then the company said, But we have a railway from Y. to X. by which we can carry oysters from Y. to X. and

then on from X. to Z., so that if we can get oysters from Y. to Z. at 75 cents, in addition to the oysters from X. to Z. at a dollar, we can afford to run one train a day ; we cannot charge more than 75 cents for these oysters from Y. to Z., because they are carried for a dollar by the inland railway. Consequently they made up their trade by charging oysters from X. to Z. at a dollar per cwt., and charging oysters from Y. to Z. at 75 cents per cwt. The X. people complained, of the difference of charge, but the railway people said, We cannot carry your oysters at all unless we carry the oysters from Y. at the lower charge ; upon which the X. people were content. It is a very striking case because it shows that cases may happen in which a rival producer actually gains by having the com-



petitor's goods carried over a longer distance of the same line at less cost than his own. It also shows how difficult and dangerous it is to interfere by any hard-and-fast rules with steps which commercial motives dictate.

Then the question is asked, Why should not a railway company be required in most, if not in all of these cases to carry at the lower rate for the places which are nearest or which have not the benefit of sea competition. If they carry at a low rate from the more distant places, or from places where you have the sea competition, why should not they carry at the lower rate from other places? The answer to that is, that you cannot compel them to do so without injustice to the railways. You cannot say that because they have reduced one rate therefore they shall reduce all; it would be unjust to them to do so; all that you can do under the doctrine of undue preference and the statutes which embody that principle is, to prevent them from charging less to one than to another. You can compel them to level, but not to level down, and their interest will generally be to level up rather than down. They will rather give up the distant and precarious competitive traffic than the certain and remunerative traffic. And not only that, but they will even try to recoup themselves, and they might make the traffic altogether a little more expensive than it was by heavier charges on the traffic which will certainly remain to them.

But looking to ordinary commercial practice, is there any reason from analogy for requiring a trading concern, such as a railway company is, to make an equal profit on all their transactions? Do we do so in other cases? Take a grocer; we know that he has leading articles; he has his sugar upon which he makes a small profit in order that he may make a larger profit on other articles. Take a farmer; do we find that he makes the same profit upon his sheep and his corn, and his beasts? or take, perhaps, a case nearer to a railway company—take a gas company. A gas company's business is partly for supplying gas and partly for the sale of residual products, but we never have required a gas company to make the same profit on all its transactions; in fact we look upon the profit that the gas company makes from the residual products as something which is to help the gas consumers by reducing the price of the gas. That is exactly the case with the railway companies. To attempt any such principle would be to simply to lower the whole profits of the companies and cripple trade. You will seldom do any good to the real producer to whom the higher rate is charged, and where you do you will do infinite mischief to the community. In fact, the real interest of the railway company in this matter of differential rates is, on the whole and in the long run, the interest both of the community and of the producer to whom they are able to charge the highest and most remunerative rates. It is not their interest to sacrifice the certain and highly remunerative traffic to the precarious and ill-paying traffic. It is their interest to charge what the traffic will bear, but it is not their interest to charge what it will not bear, which is a very different thing. It is not their interest to destroy the best paying traffic. I am not saying that railway companies always do what is for their ultimate interest, or that railway managers never make undue efforts to get competitive traffic. I have heard it said by railway men that railway managers will sometimes rather steal 100*l.* from a neighbouring line than earn 1,000*l.* by their own traffic. It may be so, but on the whole they are more likely to see what is for their own interest, and consequently for the interest than the courts of law or the legislature of trade.

I have laboured this point because both the courts and the public seem to me to err in the direction of interfering too much with railway companies in respect of differential rates. And here I may mention that this point was inquired into very fully by the Railway Commission of 1867; again by the Joint Committee on Amalgamation in 1872; again by the Select Com-

mittee, Mr. Evelyn Ashley's Committee, in 1881-2; and again by the Agricultural Commission; and they all were unanimous on this point; they were unanimous against interfering with the differential rates of railway companies. I will not read what they have said, but I will put in extracts. (*See Appendix.*)

So far with regard to the principles which, according to the practice of railway companies, and according to the practice of different nations, and according to the practice of the best authorities who have inquired into the subject, ought to govern the case. I now come to a totally different thing, which is what the courts of law have said and done on the subject, and that, I am afraid, is much less satisfactory. It is not very easy out of the decisions which involve an immense quantity of detail in each case to extract very clear rules or principles, but we have had the cases analysed by a very competent lawyer, Mr. Muir Mackenzie, and these are extracts from a report which he has made to the Board of Trade upon the subject, which I will hand in. Here I may mention that the cases to which I am about to refer are mostly cases decided by the law courts and not cases decided by the Railway Commissioners. This is what Mr. M. Mackenzie says:—"The cases in which unequal rates charged or unequal charges for services for traffic facilities given or refused have been held to amount to give an undue preference or create an unreasonable prejudice, and thus to be a breach either of the Act of 1854 or of the Act of 1855, or both, may be conveniently classified as follows." Then he gives a number of cases. I will only read those which relate to this question. The first are "cases in which according to the decisions preferential rates or services cannot be justified. (1) Where the object of the railway company is to secure the traffic of a particular district, or of a particular trade. Under this class of cases fall those of lower rates charged for exported or imported goods." That, according to Mr. Mackenzie, is the essence of the decisions, viz., that through rates for exports as well as for imports are prohibited by law. (2) "Where the object is to meet the competition of another route by which if the preference was not given the traffic would be carried" (12). \* \* \* (4) "Where the traders who are preferred have threatened to build another line, and the object of the preferential rates or services is to prevent their doing so." I should like to mention (because I do not think that anything brings the thing home as well as a special case) one or two of the most important cases. In *Evershed's case*, the House of Lords (3 appeal cases, 1,029) decided that where one brewer at Burton (*Allsopp*) had premises which were contiguous to the Midland Railway so as to need no carting, the London and North-western railway could not do carting for *Allsopp* so as to compete for his traffic without also doing it for *Evershed*, another brewer, who was not contiguous. As the London and North-western Railway rates and the Midland rates are the same, the only effect of this decision was to give the Midland Railway a monopoly of *Allsopp's* traffic. That was a decision of the House of Lords. Then there was another case in which the Queen's Bench decided (*Budd's case*) that where the London and North-western Railway ran from a seaport (*Swansea*) where there are copper works, through another place some miles inland, where there were also copper works, the railway could not make a lower charge for the longer distance in order to compete with sea traffic. The result was that the Company levelled up, and the *Swansea* traffic probably went by sea. Then in the *Denaby case* which was decided by the House of Lords only last December, they determined that a railway company could not carry over the same line to a seaport coals intended for export at a lower rate than coals intended for the port itself. Taken together, these decisions appear to bear out Mr. Mackenzie's *précis*, and to establish the following principles. A company may not charge over the same line less for a longer than for a shorter distance in order to meet competition by sea. A com-

Sir T. Farrer.

6 Aug. 1886.



Sir T. Farrer. pany may not charge on the same line less for goods exported than for goods consumed in the country. If this be so, through export rates are prohibited. A company may not give to one trader who has the benefit of a competing route any advantage which it does not also give to a trader who has no competing route. These decisions, or two of them, apply in terms it is true, only to the same line and the same parts of it, and there may be other differences which will cause much litigation before the principle of equal mileage or of equal cost of service or of equal profit is completely carried out. But there can be no doubt that some such principle itself is involved in the above cases, and that the universal practice of the companies in lowering rates for the purpose of meeting competition, or of developing new traffic, is thereby condemned. I think that when people begin to understand that the decisions not only prohibit the carriage of foreign goods inland at low rates, but that they also, even more expressly, prohibit the carriage of British goods for export at low rates, and the carriage of all kinds of British produce from distant parts of the country, to the great consuming centres at low rates, there will be as loud an outcry against equality as there is now against difference. I am far from saying that there are no preferences now given, which are unjustifiable. The reported cases show that there are. But I have taken the principal complaints now made, and have shown that the public interest is served and not injured by the differences complained of. I have also shown that the courts of law are embarked on a course contrary to the real commercial interests, both of the railway companies and of the country. It is on this account that I have laboured this side of the question.

But I am far from meaning that the railway system is perfect or perfectly administered. Nor do we, at the Board of Trade, know enough of the questions concerning local rates, to express positive opinions upon many of the specific complaints made. Every one knows that there are railways and railways, and every one can put his fingers on some, the administration of which is excellent. With regard to others, I am disposed to think that they are, in the arrangements between the Board and the permanent staff, something like what a Government office would be if its political chief were a man without the stimulus to efficient administration caused by responsibility to Parliament. I do not think that railway shareholders are constituent bodies which ensure good management.

Nor do I believe that any great or general amount of good to the public will arise from the judgments of the Railway Commissioners; expensive and difficult as it is and must be to obtain those judgments. This Court has become even more expensive than the courts of law, and for this and other reasons I do not believe that the traders will be able to bring cases before them in sufficient numbers to get the practice settled; and on the whole it is not in my opinion the best way in which you can get these matters settled. Such a tribunal may be necessary for extreme cases, but it is cumbrous and inadequate. I do not believe that any good will arise from any sort of compulsory interference with any of the railway companies, where their action is really founded on the ordinary grounds of commercial motives properly understood, and thoughtfully and ably administered. If the Committee will allow me, I will read this passage from Mr. Hadley's book which expresses better than I could express myself what I would say upon this subject. "There is almost always a certain opposition between the present and future interests of a railroad. If a company's object simply is to make as good a dividend as possible for the current year, that object is best obtained by squeezing the local business of which it is sure, and securing competitive business on almost any terms, however low. But for the permanent interests of the road, this is bad policy. The local business may bear the squeezing for a year or two, but it will gradually die under the

effects. Such a policy destroys a road's best customers, and strengthens the hands of those who are in a position to dictate their own terms. A special rate for a favoured customer means temporary gain. To make the low rate general means temporary loss. Yet where there is any doubt felt, the latter policy is almost always the wise one." "The principle of charging what the traffic will bear gives the railroads a dangerous power, and one which is often abused; a power against which competition furnishes no remedy. Yet if our analysis of the practice of railroads with regard to freight charges be correct, and if our illustrations mean anything at all, it is unquestionably the principle which enables railroads to render most efficient service to the community. Still clearer is it that the high rates are not to be regarded as a tax which could be removed if the low rates were abandoned. When we come to examine the practice of European countries where the attempt has been made to base rates upon cost of service, we shall find these views confirmed, and we shall further find that the effort to prevent discrimination as a system results in levelling up rather than levelling down." That is the opinion which this a very competent observer, has formed, and I could not express my own opinion in better words. It is from "Hadley on Railroad Transportation," which I mentioned before. Mr. Hadley is Commissioner of Labour Statistics in Connecticut, and his book is a very excellent one.

But whilst I am opposed to interference with the proper commercial action of the companies, I do think that railway companies or some of them need waking up; I also think that their agreements with each other ought not to stand in the way of the public interest; that their proceedings ought to bear and to obtain the utmost publicity; and that all possible facilities should be given for bringing traders into friendly communication with the companies, and making each party understand what the other requires or does. I see no reason why all charges should not be made public, and the reasons for them fully explained whenever a question arises. I believe the companies have suffered by keeping the public in the dark as to their practice and reasons.

Then I would refer to what was proposed in Mr. Mundella's Bill for the purpose of meeting these difficulties. The 25th clause is the one which relates to undue preference, or, as I prefer to call it, discrimination. The principle of that clause was that whenever there was a preference the Company should be bound to give the reasons for it; that the Commissioners in deciding whether it was an undue preference or not should have power in addition to any other considerations affecting the case, to take into consideration whether such charge was necessary for securing the traffic in respect of which it was made. That was drawn to meet the difficulties of the cases which I have been referring to. The actual words were, I think, suggested by Sir Richard Webster after a great deal of trouble and consideration, but I am not sure that he would now think them sufficient or satisfactory. The fact is that what Parliament has done with respect to discrimination has been simply to condemn undue preference and to leave it for the Courts and the Commissioners to say what undue preference is, and not to attempt in any way to define it; that is left to be worked out by the Courts of law, and by the Commissioners. If I am right in the argument which I have addressed to the Commission, I think that Parliament ought to endeavour to define in some way or another what is undue preference and what is proper preference. It requires a very great deal of consideration how to do that. Various things have occurred to us. For instance, it might be distinctly stated that a railway company is to be enabled to give specially low rates on the ground of the existence of a competitive route. Another is, that a railway company should be allowed to give a specially low export or import rate. Another is, that a railway company should be allowed to give a specially

low rate in order to create traffic which would not exist without the lower rate, or in order to carry traffic at a lower rate than the rate at which it would be carried if the lower rate were not given; in other words, that the company should be enabled to justify the lower rate by showing that the public derive some benefit from it. But, whatever suggestion is adopted, I think that unless the courts are to be allowed to carry out their present principles and destroy discrimination altogether, Parliament will have to do something of the kind.

Returning to Mr. Mundella's Bill, I attach even more value to clause 28, the effect of which is that where any person has a complaint to make against a railway company he may go to the Board of Trade. The Board of Trade may thereupon appoint some person to act as intermediary between the trader and the railway company, with no power whatever to decide, but merely with power to try and bring the parties together so that the company may hear the complaint on one side and the party complaining may hear the explanation of the company on the other. In default of settlement there was to be power to report to Parliament about it. That sounds a very inadequate thing, but my belief is, looking at the precedents, that it will prove much more effective than any judicial power given to courts or commissioners. And as facts are important in this matter, I should like to read first of all a passage from an extremely valuable pamphlet of Sir Bernhard Samuelson's upon foreign railway tariffs. He praises the German system very much; and this is one thing which he says: "The actual direction of the railways is entrusted to 11 provincial railway boards nominated by the Minister," (and this is the point to which I wish to call attention). "Each of these railway boards is advised on questions of traffic by a district council consisting of representatives of commerce, manufactures, agriculture, and forestry. The members of this council are elected by the chambers of commerce and agriculture, and hold office for three years. It is incumbent on the board to consult the council on all important questions affecting the traffic of the district, and especially on questions of tariffs. The council may also submit proposals in reference to such questions originating with itself." "The district consultative councils are acknowledged, both by the traders and the railway managers, to be of great practical utility in the adjustment of tariffs and in the prevention of friction between the public and the railway authorities." I call attention to that on account of the value which attached to those consultative councils which act as a sort of intermediaries between the company and the trade, and which, in an informal way can bring commercial knowledge to bear upon the questions in dispute.

14,996. (Mr. Muntz.) They perform a function which the Board of Trade might reasonably do?—Yes; and that they might reasonably do; and if there is any other body that can do it better, they should be the party to do it. The American precedents are still more important as bearing upon this subject. The law is not the same in different States, for the railway law in the United States has hitherto been made legislation by the State legislatures and not by the Federal legislature. They have legislated in what we should have considered in this country a most headlong manner. They have often passed a law without sufficiently considering how it will work, and they have afterwards repealed it. In Illinois they passed a law providing (I am now reading from Mr. Hadley's book) "that rates must be reasonable, and then further provided for a commission to fix reasonable rates. Similar laws were passed by Iowa and Minnesota almost immediately afterwards. The legislature of Wisconsin went even farther, fixing by the so-called Potter law the rates on different classes of roads at figures which proved quite unremunerative." The result of this was that "foreign capital refused to invest in Wisconsin; the development of the State was sharply checked;

"the very men who had most favoured the law found themselves heavy losers." "The very men who passed the law in 1874 hurriedly repealed it after two years' trial. In other States the laws either were repealed, as in Iowa, or were sparingly and cautiously enforced." So much for compulsory measures and compulsory commissions. Hadley then goes on to say: "There is another class of commissions of quite different character; commissions with little or no power to act, and simply established for the sake of securing publicity. The success of such commissions has been in some instances surprisingly great. This was especially the case with Massachusetts under the leadership of Charles Francis Adams, jun. The Massachusetts Commission was established in 1869. At first a great many people were disposed to treat it with good natured ridicule. It had really no power except the power to report. But its reports were strong enough to command respect and even obedience." "They exercised a decisive influence on the policy of the railroads with regard to rates, leading them to develop their local business instead of confining attention to the through business. Two things aided them in this matter: In the first place, in spite of the prevailing impression to the contrary" (I think this is very important in England no less than in America "corporations are sensitive to public opinion; even when their managers are not their owners are, for corporate property is so new a thing that it has not acquired the immunity from interference which long usage gives, and its owners know, or are forced to learn, that they must keep the public in good humour if they would not have their rights curtailed. Another fact which helps an intelligent Commission is that the permanent interests of the corporations and the public are almost always closely allied, however much their temporary interests may seem to differ. If the object of a railroad manager is simply to pay as large a dividend as possible for the current year he can best do it by squeezing his local traffic, of which he is sure, and securing through traffic at the expense of other roads by specially low rates, that is, by a policy of heavy discrimination. But the permanent effect of such a policy is to destroy the local trade which gives a road its best and surest custom, and to build up a trade which can go by another route whenever it pleases. The permanent effect of such a policy is thus ruinous to the railroad as well as the local shipper. By securing publicity of management you do much to prevent the permanent interests of the railroads from being sacrificed to temporary ones. By protecting the permanent interests of the railroads you go far toward securing the permanent interests of the public; you enlist the stockholders and the best class of railroad managers on the side of sound policy. This is practically what the Massachusetts Commission did, and never was work more fully justified by its fruits." I will only read one more extract and I have done: "This brings us face to face with the question how far it is desirable that the Commission (such a Commission as Hadley recommends) should have judicial or administrative powers at all. The general opinion seems to be that some such powers ought to be given. But there are important reasons on the other side. First, the really successful Commissions in the United States have been established with the purpose of securing publicity rather than with the purpose of executing judgment. Now, strange as it may seem, the possession of active general powers is a hindrance in this respect. A railroad may be ready to give information to an outside party, which it would not give to a judge who might sometimes use that information against it. For the sake of enforcing the law in a few cases we might readily sacrifice the power of influencing public opinion rightly in a great many cases. Again, a commission with judicial powers is almost certain to magnify its

Sir T. Farrer

6 Aug. 1886.

Sir T. Farrer. "own office. This danger made itself strongly felt in England where the English Commission constantly undertakes more than it can accomplish." The experience, therefore, of the United States hitherto has been in favour rather of Commissions without judicial power but with a power of bringing the parties together and of publicity than of Commissions with any peremptory power of ordering changes; and I am inclined to think that it would be very well to try in this country an experiment of that kind.

6 Aug. 1886.

14,997. (*Mr. Aird.*) You were good enough to give the average rate of interest payable by railway companies collectively from 1872, and that shows a decrease in the dividends during that period; do you think that the loss that may be sustained by the owners in the companies as regards that fall in dividends has been met by the increased value of the preferential securities which they hold, the value of the money, or the value of the capital of the security having materially increased during that time; for instance, take a 4 per cent. or a 5 per cent. security in 1872, I take it that its market value is very considerably more as capital at the present time than it was then?—Yes, that is so.

14,998. Do you think that the gain thus given to the holders of those securities fairly meets the fall in dividends to which you have referred?—That would need some analysis; I think there can be no doubt that the effect of the change in values is to benefit the holders of securities with fixed interest and to injure others, and to make the share which the holders of ordinary share capital get less. The result of a fall in price is to increase the value of the permanent debt.

14,999. But you are not able to express any opinion as to whether the one balances the other?—Not without making a complete analysis; which I have not attempted to make. All that I meant to say with regard to that was that it is quite clear that if there has been a fall in values it is shown in the net profits of railway companies as well as elsewhere.

15,000. With reference to the Railway Commission, you refer to the delay and expense of bringing matters before them; have you any further suggestion to make other than that which is brought out so ably in clause 28 of Mr. Mundella's Bill by which relief could be given, and this somewhat expensive process lessened?—I am afraid that if you have litigation before a judicial tribunal in which large interests are at stake, and in which you have the long purse of railway companies to fight with, and the tendency of lawyers always to increase expenses and prolong proceedings, it is impossible to expect that you can get cheap relief. I do not believe that any alteration in the procedure will make the practice before the Railway Commissioners simple and inexpensive.

15,001. Do you think that the long purse of the railway companies is used by them to the prejudice of other companies by giving preferential rates for the carriage of goods to the detriment of those smaller companies that strive to develop a district. Take the case of a railway company which is started for the benefit of a district and is got up by people in the district for the benefit of their trade and their industries, do you think that preferential rates are given to any great extent by railway companies to kill if possible those small competitive lines?—I do not think in the present state of railway matters in this country, that that is the case. It may have been the case before the great amalgamations and consolidations took place, when the great companies wished to depreciate a neighbouring company in order to buy it cheaply; but there are very few cases of that kind now. The arrangements between the great companies are pretty well complete. There was a case, I think I remember, in Wales of that kind, arising out of some contest between the North-western and the Great Western Companies (I forget the particulars of it now) in which an intermediate company appeared to us to be hardly used, but I do not think there are many cases of that kind.

15,002. But that power, if used by the large railway companies, would stop people promoting and carrying out extensions into a district who otherwise might desire to do so?—In general, railway companies are only too desirous to secure the largest traffic that they can, and the complaint is that in order to compete for traffic, they give improperly low rates. That is the more general complaint at present, rather than that they impede traffic. It was very different at the time when Mr. Cardwell's Bill was passed in 1854. Then companies had not amalgamated and the country was not districted; there was no such system of through rates as exists at present. The evils complained of at present are very different from those that were then complained of.

15,003. Do the companies make known at all, the nature of the agreements that they come to as between themselves for rates of carriage into particular districts, or which practically stop extensions into particular districts, or are those agreements, if made by any companies, known by any Government authority?—We do not know of them. We take no cognizance of them at the Board of Trade, unless the Private Act requires that they shall be submitted to the Board of Trade.

15,004. Do you think it would be for the benefit of the public, if such arrangements be made at any time as affecting the industries and as affecting particular districts, that they should be known to some public authority?—I am entirely in favour of publicity. I believe that the companies as well as the public would gain by it.

15,005. Take, for instance, the two agreements to which you have referred, one the practical absorption by the Great Western Company of the water way between the Thames and the Severn, and which has had the practical effect of destroying that route; is it known to any public authority or board what the nature of that agreement is?—No; I consider that that transaction on the part of the Great Western Railway Company by which they seem to have procured certain persons to buy shares in the canal on their behalf, and thus to have obtained control over it, is an evasion of the Act of Parliament, the Act of 1873, which places impediments in the way of companies owning canals. I think it is an evasion of the Act of Parliament and an evasion which ought to be checked.

15,006. Would it be the business of some public authority on that point to deal with such agreements in the interest of the public?—If a railway company is to become the possessor of a canal it ought to be done in the most public way, and it ought to be under the most stringent conditions, which Parliament can enforce, as to the canal being kept open.

15,007. The other point to which you referred, was the undertaking given by the North-eastern Railway Company to some of the northern ports, and which I gathered from your remarks was worked to the detriment of the traffic from Hull; is that undertaking a public document?—I believe not, I do not believe that it exists in any Act of Parliament, or in any written form; at least I have never seen it. I may add that I think it is extremely doubtful, whether, if the case were brought before the Railway Commissioners by people interested in Hull, the agreement would stand.

15,008. Do you think that that agreement is carried out with so much earnestness by the North-eastern Company in consequence of their owning so many northern ports and having no dock interest in Hull?—I am unable to answer that question. I do not know what their politics are, but I have heard it said by railway men (I have not heard it from themselves) that they would be glad to get rid of the agreement.

15,009. By whom would the agreement be made?—I suppose it was simply one of those understandings which take place in the committee room. The question then probably was whether the amalgamation between the railways should be allowed; and the

northern ports would probably be objecting to it; and the promoters of the amalgamation would say to the northern ports, If you will not oppose this scheme we will undertake that you shall continue to have the advantages which you formerly had. That, I take it, was the nature of the agreement. It has been so often stated now in public that it amounts to a public agreement.

15,010. With regard to the question, which is a small, but nevertheless, an important one for a district of vegetables being brought through to London at the same rates of tariff as from the district, does not that operate very seriously upon the growers of fruit and vegetables in Kent, who practically depend upon the fruit market for their income?—It brings rival growers into the London market. The railway system as a whole has tended to equalise the price of distant and of near produce, and in that sense has injured the producers who are nearest to the market, as compared with the producers who are further from the market. In the same way as the steamship has injured the corn grower of England compared with the corn grower of America. There is no doubt about that. I do not say that the railway system has injured the nearer producers positively; possibly it has not injured them positively, but it has injured them relatively.

15,011. Would not that injury be seriously increased if that foreign produce which is brought at these low rates is also sent up, as I may say is the case, by express trains to the London market, whilst the produce and the fruit of Kent is sent up from roadside stations by slow trains long after the foreign produce has arrived at the market?—That would be another form by which the more distant traffic might be secured; but, on the other hand, you must remember that the nearer place has still the advantage of being nearer.

15,012. If any just cause of complaint exists upon these grounds, would this be a matter which in your opinion would, if this Bill passed, have been dealt with and overcome by the Board of Trade in the interests of the public, so as to avoid the necessity of an appeal to the Railway Commissioners?—Yes, that is what we wished, that some independent person should get the railway managers and the fruit growers in Kent together and talk it over, and see what the fruit growers had to complain of, and hear what the railway company had to say, and so bring the parties together, and in that way if the railway company's practice was justifiable the trade would come to understand it, and if it was not justifiable the railway company would very likely make some concession.

15,013. You read a paragraph from Sir Bernhard Samuelson's Report as to the way in which matters of that sort were dealt with abroad; did you by reading that, suggest that any similar board might in this country, deal with it to the advantage of the industries and trade of this country?—I always hesitate to suggest a new piece of official machinery—we have too much of it already. I would rather make use of any establishment that we have at present for the purpose, if they can do the thing. Except for this consideration, I should have no objection whatever to a consultative board of the kind if it could be properly framed.

15,014. Do you think that the public would be benefited if the amalgamation of some of the railways were brought about, where they run through particular districts, involving very serious cost and arrangements between themselves?—That is almost too large a question to give an off-hand opinion upon; it must depend upon the circumstances of each particular case. No doubt you could put your finger upon railway arrangements that you would never have made if you had to make them at the beginning, but to alter them now is a very different thing. I do not know what to say about it, but I might say this with regard to amalgamations, that one element to be considered is the size of the existing railway companies. There is a point beyond which organisation cannot be carried on by one concern efficiently, the

concern may become too big to be properly managed; that is always to be remembered. *Sir T. Farrer.*

6 Aug. 1886.

15,015. But as a rule, is it not the case that the amalgamation of interests, where they are competitive, does effect economies, and whilst effecting economies does not it often tend to public convenience?—Yes; many amalgamations have tended very much to public convenience; on the other hand, I will not say that they have not sometimes destroyed useful forms of competition.

15,016. Has not the amalgamation, for instance, in London of the gas interests been a great benefit?—Certainly; and the Board of Trade have promoted it in every way up to a certain point. But there was a point at which they had to stop. It is a very good illustration of the limits of beneficial amalgamation. There arose a question whether the companies north of the Thames should be amalgamated with the companies south of the Thames, and, looking to the particular circumstances of the case, the Metropolitan Board of Works came to the conclusion, and the Board of Trade entirely agreed with them, that it would not be well to carry the amalgamation to that extent. I think you must take each case upon its own merits.

15,017. (*Professor Bonamy Price.*) It has been stated that certain places have been ruined by the effects of legislation, and their business has been destroyed; there is a factor in the case which I should like to know what you have to say about, viz., that as this was done by the Act of the State when the railways were created by Parliament, in each case were those conditions fairly and fully brought before the legislature which made the law?—I am not quite certain that I understand the question.

15,018. When the railways were brought in, if they have led to the making of those changes which will end in the ruin of particular places by their manner of charging, ought not that to have been brought before Parliament and their authority to do it obtained from the State which created the railway?—The State has not been so successful in its dealing with the tariffs of railway companies as to make one think that it would be able *à priori* to regulate the charges which every railway company must make.

15,019. I was not proposing at all to regulate that beforehand, but it is certainly a principle which has been recognised and authoritatively stated, and there is machinery authorised and devised for carrying it out?—If the question means that the railway companies' charges are always to be regulated by some State authority, I am of opinion that that would not be a good thing.

15,020. It is alleged that by those favouring rates, and giving preferences to particular localities, and making differences of charges the State gave that power of destroying in many cases the prosperity of the towns and of manufactures, and my question is, Was that authority obtained from the State with its eyes open?—I am not quite sure that I follow you; I must know the circumstances of the particular case and of the particular town which is ruined before I could give any general answer to a question of that kind; I have given a great number of facts, and I have selected the most prominent of the complaints, but amongst the complaints which I have been able to find before the numerous committees and commissions that have inquired into the subject, I can find none which exactly bears out the general statement that you make.

15,021. Do you mean to say that there are no complaints made that whereas we formerly had a prosperous trade it has been perfectly ruined by the railway charges and the manner in which they are applied?—No; I am anxious to find such a case, but I cannot. I quite agree that if the charges are capricious, if they are corrupt, if they are made without a proper commercial motive, they ought to be put a stop to.

15,022. Commercial motive may be good generally, and in a general way all those railways are authorised to make their charges and to make their business

Sir T. Farrer.

6 Aug. 1886.

greater, and so on; but I am asking with regard to future legislation for the purpose of obtaining the authority of the State, and assisted by the Act of the State to destroy in many places the prosperity of the towns?—I must have a specific case before I can give an answer. I will try to help you with an instance which comes as near to what you say as any that I know, and it arose in a case with which I was intimately acquainted. The collieries which were nearest to Liverpool were extremely valuable before the railway was made; they were within eight or nine miles of Liverpool, and they had a great advantage from their position in the Liverpool market. When the Liverpool and Manchester Railway was made it brought a great number of more distant collieries into the market, and the value of those collieries which were the nearest to Liverpool declined, so that some of the colliery owners were placed in very great difficulties. That is a case as near to the case which you mention as any that I can put. Liverpool benefited, the more distant collieries benefited, and the country benefited, and I do not think that the owners of whom I speak had any right to complain.

15,023. But the case of the railway is a very different thing from colliery owners 50 or 100 miles distant making a difference in their charges in order to increase their business to a given district?—But I argue generally that it is not the interest of a railway company to destroy traffic which it has in its own control, and upon which it is able to charge a higher rate. Their general commercial motives would lead them, if they are properly understood, not to destroy, but to encourage that traffic.

15,024. That is a very just principle, but the question which I would like to ask upon that is, have railways acted upon that principle, have they acted upon this distinct duty as you think it is?—If they have acted upon right commercial motives, they have done so. You will find that there are cases which have been brought before the courts and before the Railway Commissioners in which preferential rates have been unjustifiable, and which have been put a stop to under the present law, but my complaint of the present law is that it goes too far when it seeks to put a stop to preferences which are perfectly justifiable.

15,025. Those railways were made by Act of Parliament; in the discussion before the Houses of Parliament, the effects of those actions of theirs were not brought forward and fully discussed, were they?—It is of course absolutely impossible when a Railway Bill is before Parliament, that Parliament shall foresee all the different charges which the railway company may make, and all the different circumstances which may induce them to alter those charges.

15,026. (*Mr. Jamieson.*) I wish to ask you about those reports which you have given in, of commissions and committees which have from time to time sat on this question and kindred questions, and which you said were unanimous in their resolution recommending virtually that nothing should be done?—Not unanimous in their resolution that nothing should be done, but the reports of commissions and committees have uniformly supported differential rates.

15,027. Were those resolutions of committees in general unanimous?—Some were; in the case of Mr. Evelyn Ashley's Committee they were not.

15,028. Were they in the case of the Agricultural Commission?—I forget whether they were in the case of the Agricultural Commission, but I think they were in the Commission of 1867 which made a very able report, and the Report of the Joint Amalgamation Committee of 1872, which was a very strong and able committee, was certainly unanimous. That was a very strong and perfectly impartial committee. There were no railway men on the Joint Committee of 1872.

15,029. Since the date of those commissions there have been, if I mistake not, considerable efforts made in Parliament at legislation in this direction?—Yes.

15,030. Therefore the result of the unanimity of

those commissions was not to settle the question in the mind of Parliament?—Certainly. I should not have taken the trouble that I have to-day if the thing had been settled.

15,031. And the views of the courts of law, as you have very fully and most clearly explained to us, have rather gone against the views which you entertain?—They have. Courts of law very often go against commercial men.

15,032. So that the feeling of Parliament that something was necessary to be done, and the feeling of the judges of the courts in interpreting what Parliament has done, have not tended in the direction of your evidence on this occasion?—I will say nothing about the feeling of Parliament, but it is the feeling of certain persons in Parliament.

15,033. If we have the unanimous views of very able commissions, would it not have been reasonable to anticipate that the public opinion would have been so far convinced, or at any rate the keener judgment of Parliament would have been so far convinced as not to require those frequent attempts at legislation upon the subject. I wish to ask you whether, in point of fact, the evidence which you have given so very clearly and ably to-day, has not gone somewhat on antagonistic lines to the feeling of the country and of Parliament on this matter?—I really do not profess to know the feeling of the country and of Parliament, except by the things that they do. That there is a difference of opinion I admit at once, or else I should not have been arguing here to-day, but if you ask me for an authority, I would rather attach weight to the opinions of such a committee as the Amalgamation Committee of 1872 than to those of ordinary members of the House of Commons. That Committee was in fact the elite of both houses: selected for the eminence and impartiality. Further, they gave great attention to the whole subject. The unanimous opinion of such a body of men carries great weight.

15,034. You pointed out the effects of the recent material fall in the rate of return yielded by railway investments as very much on a par with the fall which other property has had to experience under the present existing circumstances?—Yes, I think so.

15,035. And therefore you would in no degree claim the exemption of railways from legislation taking place in any direction which might appear inimical to their direct interests?—No, but it is an argument against any interference which would compulsorily reduce their profits largely, and it is also an argument against the supposition that they have such a monopoly as to enable them to oppress the traffic of the country. If you will look at France, where the companies really have a monopoly, you will find that their profits are something very different from those in this country; you will find the profits somewhere between 10 and 20 per cent., instead of being 4 per cent. which they are in this country.

15,036. Do you mean on their original capital?—I am not sure whether it is on their original capital. The capital has been so often increased, that I rather think it is upon their whole capital.

15,037. Are you also bearing in mind the amortisation of foreign railways?—Yes, but that comes in the middle of the next century, for the period has been extended twice. I think it is 1950 before their present arrangements come to an end, and very likely they will be prolonged before they get to the end of that term.

15,038-9. The rate of investment in French railways, I think, is not very materially greater than that in English railways of the better class?—I daresay it is so to the present purchasers. I find that under the last arrangement with the Northern Company the guaranteed minimum dividend is 13 per cent., and the point beyond which the State is to share the excess is 22 per cent.; in the case of the Mediterranean, the figures are 11 and 15 per cent.; of the Orleans, 11 and 14 per cent.; of the Southern, 10 and 12 per cent.; of the Western, 7 and 10 per cent., and of the Eastern, 7 and 10 per cent.; very different figures from the English figures.



15,040. That is the rate at which the State comes in to take half of the surplus profits?—The first figure I have given I take to be the dividend which, under the last arrangement the State guarantees to them, and the larger dividend is that beyond which the State is to share the excess.

15,041. You have referred to numerous agreements between railway companies themselves, which are neither published nor recorded at any rate; those, I think, you have said ought in some way or other to be put under the cognizance of the public or Parliament?—I am entirely in favour of absolute publicity.

15,042. You think that that would tend to diminish the complaints as to preferential rates being afforded to traders?—I think it would, if everybody understood the question thoroughly.

15,043. Do you see any difficulty in making that an enactment?—No. But it is to be remembered that two companies may go on charging rates under a private arrangement if nobody interferes with them and there is nothing to require it to be made public. All that you can say is that the agreement shall not be enforced by the courts unless it is made public.

15,044. Would it not be possible by some means or other to require all such agreements to be registered at the Board of Trade, for instance?—Yes; I do not see any reason why that should not be done.

15,045. With regard to the interference of railways with canals, you have said that for the future the legislature ought to be careful that means were taken to preserve the canals being kept open and maintained?—So far as you can go, but if the canal is in such a condition that it will not maintain itself, it is very difficult to compel either a railway company or anybody else to keep it open. It is especially difficult to compel a railway company which has an opposite interest to do so. If you give the cat cream to keep, it is very difficult to keep the cat from drinking the cream.

15,046. But there have been numerous instances in which railway companies have already acquired canals which would not come under that category which you are now referring to, canals which would be self-maintaining if they were fairly managed?—Anything that could be done to compel them to manage them properly ought to be done.

15,047. Would there be any hardship, do you think, in making the legislation which you approve of for the future retrospective as regards canals?—No, I do not think there would be any harm in that.

15,048. (*Mr. Houldsworth.*) I quite grasp the principle which you have laid down, and I sympathise with it very much, which I think I may take to be this, that you desire to see the ordinary commercial principles of competition applied to railways?—Certainly.

15,049. You think that the true basis upon which railways might be conducted?—Yes.

15,050. Might I ask you if you do not see a difference between railways and other commercial enterprises which will admit of that sort of principle in the fact of railways being practically a monopoly?—I have endeavoured to show that in a very large number of cases, and those are the cases which are most complained of, competition does prevail. There is another form of competition which I did not mention with which you are of all persons the best acquainted, namely, the potential competition of other means of communication, such as the Manchester Ship Canal, which no doubt has brought down rates.

15,051. You are aware, of course, that that potential power of additional competition is very difficult to bring to bear?—Yes, very difficult.

15,052. So that, practically, there is now almost no means of increasing competition except a competition by the improvement of the service, and that brings me to the point; do not you think that legislation should do all it possibly can to relieve the evils of the practical monopoly which, from the circumstances of the case, railways have?—I am quite in favour of its doing anything it can. My doubts are as to its

power, and whether some of the attempts to do so may not do more harm than good, not to the railway companies, but to the public.

15,053. Do not you think that those attempts might fairly be developed in releasing the canals from the control of railways?—That, again, is a question of money. Who is to buy the canals?

15,054. First of all, do you see anything in principle upon the principles which you have laid down which would make you object to legislation, supposing it could be practically carried out, taking the form of dealing with railway companies and forcing them by legislation to give up their control over canals, on fair terms, of course?—If you can purchase the canals from the railway companies and place them in the hands of a body which shall represent all the canals that are interested in developing the through traffic by canals, I should be in favour of it, but you must pay the railways properly for it.

15,055. You do not see any objection in principle to legislation directed to that object?—No, not if you can find the money.

15,056. Do you think that there might be a very great increase in the use of our water-ways by various things being done in connexion with the canals at present?—It is a question of money, if the money can be found. Then the canals are antiquated, and if you want them really to compete with the railways you must enlarge them, improve them, and increase them in number, whereas my question is, is it worth while; can capital be found for them, and who is to find the capital?

15,057. Will you allow me to read this passage to you and ask what your opinion is upon it; it is from the evidence of Mr. Lloyd at question 13,570, page 249, in our Third Report:—"The Leeds and Liverpool Canal was leased by a combination of railways, the London and North-western, the Midland, and the Lancashire and Yorkshire, for 21 years from 1853 to 1874. During that time the traffic fell off very considerably, and the dividend of 16 per cent. upon the original capital was made up by the three guaranteeing companies. Since the emancipation of the canal from railway control, and it has been and is now entirely free, the canal company have very largely reduced the rates, and notwithstanding that the revenue has gone up to such an extent that they have been enabled in one or more years to pay 22 per cent. interest?"—Yes; I am aware of that fact, and a very striking one it is.

15,058. Does not that in your opinion point to a great deal that might be done by releasing canals from the control of railways, or do you think that an exceptional case?—That is the only case of the kind that I know of. Hitherto the Board of Trade have endeavoured to get the canal companies to unite to purchase the links which do not belong to them, but we find that they are not strong enough to do it.

15,059. Are you aware of any other case where the same attempt has been made and where it has failed, or not been so successful in any case where it has been free?—No, I know that the Severn Canal were unable to come to any agreement for the purchase of the Thames and Severn Canal, they could not find the money, or they did not think it worth while. That is the only case that occurs to me at the present moment, unless the Regents Canal can be considered a case in point, which was purchased by a railway company, and not by the Grand Junction or other canals.

15,060. Now we will come to preferential rates; are not the lower rates, in cases such as you have given us, where our home produce going up to a large market like London have higher through rates charged for them than for foreign articles coming past those places of production in England, practically a bounty on the foreign grown or manufactured articles?—I think not for the reason that I have mentioned; the foreign rates are only granted from port to port, and if the foreign goods did not go by railway they would go by sea at an equally low rate. It is rather a

Sir T. Farrer.  
6 Aug. 1886.



Sir T. Farrer.

6 Aug. 1886.

question of port versus port than of anything else. Take grain; there are lower rates upon grain imported, carried from port to port by railway, than upon home grown grain; but as a matter of fact very little grain goes by railway from port to port, because it is found easier and cheaper to carry it by sea.

15,061. Are you not aware that there are preferential rates of the kind that we are dealing with just now between the ports and the inland parts of the country?—There are many low through import rates.

15,062. Rates which handicap and act as a bounty to the foreign as against the home produce?—No; for the reason that the export trade and the import trade could not exist if you did not give them those rates.

15,063. Is not that practically a bounty on the foreign produced article as compared with our own produce?—I am very unwilling to state that it is a bounty upon the foreign produced article. It is a question of through rates whether for home or foreign produce *versus* local rates. The rate is just as much a preferential rate on Sheffield goods exported through Liverpool as it is on Belgian goods imported, and therefore it is prejudicing the question to talk about that as rates for foreign goods. It is through rates *versus* local rates.

15,064. Is it not the fact that that does act as a bounty on foreign produced articles?—I am not quite certain that I understand what is meant by a bounty.

15,065. It is an advantage given?—Undoubtedly it is an advantage, and the question is whether it is a justifiable advantage.

15,066. Even assuming that your arguments, after being carefully considered, were judged to justify the rate, do you not think that there would always be, practically a sense of injustice on the part of the producer in those preferential rates which act as an advantage, as you say, to the foreign producer?—I think it is quite possible that that may be so.

15,067. Do you know any similar public companies where such a principle is adopted as those preferential rates; take, for instance, municipal corporations, gas companies, and water companies; is there any public company which adopts such a principle, or, if it adopted it, that the public would be satisfied with it, because the same arguments must exist, to some extent, in all those cases?—If you will give me the name of a company with the same circumstances, then I will tell you.

15,068. You are not aware of any analogous case in any other public companies?—I believe there is no trade in existence in which the trader makes the same profit on all his transactions or is required to do so.

15,069. For instance, take a gas company or a corporation which delivers gas very often three miles from the centre, and also delivers gas close to the works; is there any case in which a different charge is made on that account?—There are cases in which different charges are made where the supply is outside the corporation's own limits. For instance, Birmingham supplies different suburbs at different rates; that is a case where the rate is based on the cost of service. The case which I think is more parallel is that which has been put of a gas company, which is a public company, which supplies gas, and which also supplies coke, and also supplies dyeing materials. You would never dream of requiring that it should make the same profit on all its transactions. They look upon the one as auxiliary to the other, and the public, whom they supply with gas, are only too glad if they can make some profit by the residual products.

15,070. There, of course, they do not affect anybody else except themselves?—That may be so. But on consideration I am not so sure. The profit they make on gas may enable them to sell coke cheaper than a rival producer could sell it.

15,071. Has your attention been drawn to the paragraph which I happened to see between the two

paragraphs which you read from Sir Bernhard Samuelson's pamphlet in which he says, "The transfer of the railways from private management to that of the State's, administered as above described, was intended to produce, and has produced, decided economy in the cost of working the traffic, greater uniformity in rates, and increased accommodation to the public, and the result of the inquiries which I instituted in numerous centres of trade, manufactures, and consumption, enables me to state that these advantages have been secured without any drawbacks;" do you think that that is correct?—I know of no reason to dispute it at all. The German Government is a strong Government, with an excellent bureaucratic system and whatever it undertakes to do it generally does efficiently. But they start with the advantage that their railways only cost half of what our railways did. Further, I do not think the German service can be compared with the English service, at any rate as regards passengers. Any one who has travelled in Germany must know that so far as accommodation is concerned it would be ridiculous to compare their system with the English system.

15,072. The point which I wish to draw your attention to is the question of the uniformity of rates, and upon that point there is a note in these terms:—"In the Report of the Minister which accompanied the 'Project of Law for the acquisition of some private railways by the State,' great stress was laid on the mischief arising from the power of favouring one district and damaging another by their tariffs being left in the hands of private companies under what is virtually a monopoly of the highways of the country;" what is your view with regard to that?—There is no doubt that was one of the great principles which the State adopted when it purchased the railways was to do away with discriminating rates; and they have done away with a great number of bad discriminating rates; but they have practically been compelled, notwithstanding this principle that they have laid down, to give discriminating export rates. If they were not protectionists they would no doubt have given discriminating import as well as export rates.

15,073. Do not you see a difference in relation to the trade of the country as apart from the benefit to the consumer between the export trade and the import trade?—No; I really do not. I do not at all like the distinctions which are perpetually drawn between the producer and the consumer. We are producers as well as consumers, and whatever you do to stimulate production will stimulate consumption.

15,074. At the same time you would admit, would you not, that we might draw our articles of consumption in various ways from foreign countries to the detriment of our own trade?—I think if we get upon that subject I must refer you to a book which I have written upon free trade and fair trade.

15,075. Assuming that the principle is right of allowing railway companies to charge preferential rates on true commercial principles, do you think that in all cases it is their advantage to encourage the traffic of the home producer so as to act as a protection, as it were, to both producer and consumer in this country?—I think that it is to their advantage to charge what the traffic will bear and not what it will not bear.

15,076. Do you think that that is to be trusted in all cases?—I should think not; I daresay that sometimes discriminations have been made which ought not to have been made, and I think I quoted the case of a railway man who said he was afraid that railway managers often liked to steal 100% from their neighbour's line rather than to get 1,000% belonging to themselves; that is in human nature. It is quite possible that these things may exist, and it is for that reason that I wish to have the most complete publicity.

15,077. Is it not the case that many railway companies own steamboats and are interested in sea traffic as well, and that that is a temptation to them to

encourage the sea trade over the home trade, and is not that a danger that the public and the home producer would be subjected to?—You mean that they starve the railway to pay for the steamboats.

15,078. To encourage the traffic that was brought to them; it would not matter to them if they make a larger profit on the through traffic from foreign countries; it might pay them to ruin the internal traffic?—I do not think that they could ever do so.

15,079. But they may have an interest in the longer sea passage and also in the railway passage?—Yes; and they may neglect the home traffic, but that it can be their interest to discourage it and destroy it I do not believe.

15,080. They might sacrifice their home traffic to the foreign traffic, and if they made a larger profit on the one than on the other they would do so?—It is possible; but you must remember that what we are now talking about are low rates given for foreign traffic. The hypothesis is that they are departing from the true standard in not making an equal profit on the two transactions; that they are charging less and working a lower profit on the foreign goods than on the home goods. Now what I say is, that supposing them to act on ordinary commercial motives, it cannot, if they really are making a larger profit upon the home trade, be their interest to destroy it.

15,081. But if they are making a larger profit on the foreign trade they would encourage their foreign trade to the detriment of the home trade?—Do I understand your assumption to be that though they are charging a lower rate, that is, that they do not make so large a per-centage of profit upon the foreign transactions, yet that the foreign traffic might be so large that it might be worth their while to encourage it rather than the home transactions. It is possible that that might be the case.

15,082. Might it not be the case that they were making a less profit on the railway but were making an increased profit on the sea voyage traffic, and that over all their profit was greater on the foreign traffic?—It might be so, but I think it extremely unlikely that they would go into the foreign traffic with steamers in which they are perpetually exposed to competition with a view to profit of that kind.

15,083. Is it not the case that some railway companies do so?—Some companies own what we may call ferry steamers; but I think it is very unlikely that they would do so under circumstances that would make it worth their while to injure their railway traffic.

15,084. Is it the case or not, that railway companies are interested in steamboat traffic?—Undoubtedly, some of them are.

15,085. And are carrying goods?—Yes.

15,086. Under those circumstances is it not possible that their profit on the sea-going part of the traffic might be so good, either from the large quantity that they carried, or from any other reason, that it tempted them to encourage their traffic by sea, and in order to do so to lower the rates on the railways, and in that way to create a through traffic which would possibly be detrimental to the interests of the producer at home?—I could understand that a railway manager may have his mind so bent upon the through traffic as to neglect the local traffic, but I cannot understand that deliberately, and with his eyes open, he would attempt to destroy the home traffic upon which, *ex hypothesi*, he gets his large profit. The hypothesis is that upon the ordinary home transactions he charges more above the cost of service and gets a larger profit. That is the hypothesis with which you begin, and it leads to the conclusion that it is the interest of the company to develop the trade on which he gets the larger profit.

15,087. I do not put it that the railway company would wilfully do so. I am putting the case as an analagous case, as I believe it is, to a man engaged in any trade. If, as you very properly said, he finds that a certain part of his trade is more profitable than another, under those circumstances he encourages his

profitable trade in every possible way, and without attempting to defraud the less profitable trade, he throws all his industry and encouragement into the most profitable trade; and I say is not that possible to be the case with railway companies which are interested in a sea traffic, and that it is quite imaginable that to lower the rate on the railway to induce a larger amount of sea traffic might be very true policy from a commercial point of view in the interests of their shareholders, and that that would, without their wishing to do, practically damage the home producer?—I think that a railway manager would be mad who destroyed the home traffic in order to create the foreign traffic.

15,088. I quite followed you in your suggestion about consultative councils, and in whatever form they might come I think they might be of very great service; but do not you think that over and above that, it would be necessary to have some court of appeal in cases where the council were not able to satisfy those who were complaining of grievances?—You would have the Railway Commission at present. I do not propose to do away with it. But you would leave the 28th clause in Mr. Mundella's Bill in addition, and supposing that that clause were carried out, and that you had a report from an independent officer of the Board of Trade showing that the railway company were doing something unreasonable, I think the probability is that the railway company would give way. If they did not, the probability is that with an impartial report against them, the company would be taken before the Railway Commission.

15,089. You would still consider the Railway Commission as a tribunal?—Yes.

15,090. I gather that you have not a very high opinion of the House of Lords' decisions?—Of the two which I have quoted; some of them I have great respect for.

15,091. Would you prefer the ultimate arbitrament generally in those railway cases to be by a commission rather than by the courts of law, or which tribunal do you think the most satisfactory?—I think you would get better decisions from such a tribunal as a railway commission comprising commercial elements than from a court consisting only of lawyers.

15,092. We all know that the House of Lords must be the ultimate appeal in matters of law, but in settling many of those railway cases it is frequently a matter of evidence, as well as law, and it is very difficult to apply the law to meet a particular grievance; it requires a practical view of the question?—Yes, certainly.

15,093. You think that the Board of Trade or the Railway Commission might usefully sit and give decisions upon those points?—Yes.

15,094. (*Mr. Palgrave.*) You spoke of giving publicity to agreements between railway companies; in what way do you think publicity would be an advantage?—What, I think, we have found very often at the Board of Trade is, that the discontent of traders arises from their not understanding distinctly on what grounds the railway company have acted, and that very often that discontent would be removed if the two parties could be brought face to face, and the motives and the whole circumstances of the case explained; and if the railway company were really doing something that was unreasonable, it would, in a large number of cases, and probably in the majority of cases, be to their interest to set it right.

15,095. In what manner do you propose that this publicity should be given?—The proposal in Mr. Mundella's Bill was, that wherever any trader thought he had reason of complaint he should be enabled to appeal to the Board of Trade, and that the Board of Trade should have power to send down someone from London to meet the trader and the railway company; not in the form of a court with lawyers in wigs, and sworn witnesses, but to talk the matter over, and that then the officer of the Board of Trade should have no further power in the matter, excepting to report.

Sir T. Farrer.

6 Aug. 1886.

15,096. You approve, then, of that part of Mr. Mundella's Bill?—Very much indeed. It was taken very much from, and suggested by, what has been done with great success in America.

15,097. This publicity you think should also extend to all agreements?—Yes; I think that any agreements by which railway companies bind themselves to charge special rates ought to be made public.

15,098. For instance, all agreements by which they control canals?—Yes; all agreements of that sort, most certainly.

15,099. (*Mr. H. H. Gibbs.*) You spoke about publicity as a cure or as a partial cure for certain agreements which you think have been prejudicial to the public interest; I suppose you would say that that would be a cure in itself, and that it would very often make coercive action unnecessary?—Yes; very often, I think so in general; I think it would.

15,100. Not only do you think that the publicity itself would be good, but if it had the further advantage of making coercive action unnecessary, it would be so much the better?—So much the better, certainly.

15,101. (*Sir J. Allport.*) With regard to the steamboat question, I believe railway companies have no power to own steamers, except by authority from Parliament?—I think that is so.

15,102. In almost all cases, if not in all, railway companies have gone to Parliament and stated for what special purpose they required steamboats?—Yes; that is so.

15,103. And Parliament has granted them power to own steamboats upon the facts that have been laid before Parliament?—That is so.

15,104. As regards the general question, Mr. Houldsworth would rather imply that railway companies were interested in foreign traffic in bringing foreign goods against the manufacturers in England; take the port of Liverpool, do you know of a single railway company owning steamers running from the port of Liverpool?—I do not think that there are any steamers belonging to railway companies from the port of Liverpool.

15,105. Do you know of a single railway company owning steamers running to foreign ports from the port of London?—I do not think there are any.

15,106. Do you know of a single railway company owning steamers trading to foreign ports from the port of Hull, or Newcastle, or Hartlepool, or Leith, or Glasgow, or Dundee, or Aberdeen?—No; I am not aware of any.

15,107. That pretty well exhausts the numerous questions which were put to you by Mr. Houldsworth with reference to railway companies encouraging foreign manufactures and products to the injury of the home trade because of their possession of steamboats?—I am not aware of any, and I do not think there are any, because I think I know all the cases in which they possess steamboats. I think I could put my finger upon them all.

15,108. That disposes of the question of railway companies being influenced in competing with the English manufacturers or producers in consequence of owning steamboats?—Yes; from those ports.

15,109. In fact, is it not the case that Parliament has granted to the London and North Western Company power to own steamers between Holyhead and Ireland, that is to say, between Holyhead and Belfast and Carlingford?—Yes; and to the Great Western Company from Milford.

15,110. That, practically, is the extent of railway companies owning steamboats?—No; some of the southern companies run steamboats from particular ports to France, from Folkestone, Dover, Newhaven, Southampton, and Weymouth I think, although I am not quite sure about Weymouth.

15,111. As regards the rates for foreign produce upon imports, do you think that the railway companies give low rates say, from Liverpool to Manchester, for foreign manufactures against a manufacturer in Liverpool sending his manufactures to

Manchester?—No, I do not; I believe that they really give low rates because they cannot help it.

15,112. Is it not the fact that those low rates are chiefly where other ports can carry traffic at less rates; let me give you an instance: great complaint has been made of the low rate from Liverpool to London for American produce; is it not the fact that in taking into consideration what they could charge from Liverpool to London, the through rate is taken from, say, New York to London direct, and then the steamship owners and the railway companies are contented to take the same rate by sea to Liverpool and by railway to London, as is charged by the direct route, by steamer from New York to London?—That is so.

15,113. Supposing that the rate from Liverpool to London were advanced in something like the same mileage proportion as the local rates, say from any agricultural district intermediate, between Liverpool and London, the effect would be, would it not, at once to drive the whole of that traffic to go by sea direct to London?—Yes, that is so.

15,114. And consequently a farmer in the intermediate districts would gain no benefit?—That is so.

15,115. And upon the shipowner there would be entailed a great loss of time in going round the island to London instead of discharging at Liverpool?—Yes. But there is one case, I think, though not a probable one, in which to equalise the rates, might do good to the farmer. There is only one case in which that would not be so; namely, if the trade in the foreign goods was so profitable that it would be worth the while of the railway company, if obliged to equalise their rates, to lower their rates upon the home produce rather than to give up the lower rate upon the foreign produce, that is a very unlikely case.

15,116. You mentioned the comparative cost of railways; of course it is a most important element in the rates to be charged, but have you ever gone into the question of the cost of land for railways in England?—No, not separately.

15,117. It is difficult from the returns to the Board of Trade, but have you ever formed an estimate of what the land for railways has cost in this country?—It must have cost something enormous, a very large proportion of the 40,000*l.* per mile I spoke of.

15,118. Would you agree with me if I suggested to you that the total cost of railways in England is really over 800,000,000*l.*, and would you agree with me that the land itself has cost upwards of 160,000,000*l.*?—I have no means of knowing, but it must be something very large indeed; and it is an expense that goes on, because, although railway companies are not plundered so much by landowners as they were, they have to buy land for their new improvements in the most expensive situations.

15,119. You spoke about Parliament having the right to revise rates, and you said that the railway companies objected to a revision of rates as far as they could do; was not that question decided by the Act of 1845?—I have never thought so.

15,120. Has not the Board of Trade power to revise the rates on railways that pay 10 per cent.?—There is a clause, I think, enabling the Government to purchase railways after they have reached that point, but it is a pure *brutum fulmen*.

15,121. But have they not power to revise rates?—I forget. It is so absolutely obsolete and useless that I forget what the Act is.

15,122. (*Mr. W. H. Houldsworth.*) Following the illustration from Liverpool to London, I want to ask you what protection you think the home producer in that case which Sir James Allport has put between Liverpool and London as against the railway company reducing their rate not only to be the same as it would be in the case of carrying by steamer, but in order to attract the traffic to Liverpool, underselling the ship traffic to London; would not it be the tendency of railway companies, not only to take the same rate, but to take a little lower one in order to get the

traffic?—The tendency of railway companies is always to charge as much as they can.

15,123. It is also to attract traffic, is it not, by underselling a little their competitors?—They will not undersell to the extent which has been suggested in the "Economist" and elsewhere, so as to make it a loss to themselves; they must always make a profit by it or they would not do it.

15,124. I should suppose that the answer was that the shipowners would agree to undersell, and that the producers would get the benefit over all the country of the increased competition; but I wanted to ask you whether there was not a difference between shipowners and railway companies in this respect, that a railway company may undersell a shipowner on a particular route, such as this, and the railway company may compensate themselves in other parts of the country to the disadvantage of the home producer by charging higher rates?—I should put the thing in rather a different way. I do not see why a railway company should charge less to the home producer if they lose the foreign trade. Supposing you deprive them of it by prohibiting the low foreign rate, what motive has a railway company then for charging less to the home producer? They charge in both cases whatever the traffic will bear, and I should have said that if, in consequence of the low foreign rates, they did a larger traffic and made a larger aggregate profit, the tendency would rather be to induce them to charge less to the home producer; whereas if you took away from them the small profit that they get from the foreign traffic, then the tendency would be to increase their prices to the home producer, to make up for the loss. And this they might be the better able to do, because the price of the foreign goods in the common market might be slightly increased by the abolition of the low foreign rate.

15,125. (*Sir J. Allport.*) Do you happen to know that the through rate by sea and railway, say from New York to London, is a little higher than it is direct from New York to London by sea, and the shipowner feels disposed to make a little sacrifice in that portion of the rates, for the sake of the advantages that he gets from the other facilities at Liverpool as compared with London. So that this is the case, that the through rate from New York to London by sea and railway, is higher than the through rate from New York to London, the whole distance by sea?—I was not aware of it, but I daresay it is so.

15,126. You put it that there might be a temptation suggested to the railway companies to reduce the rate below what it was carried at by sea, for the purpose of getting the traffic?—I put what I said as a very hypothetical case in answer to a hypothetical question. I entirely agree with you, that the railway part of the through rate is only a function of the through rate, and that the through rate is governed by the sea rate from New York to London.

15,127. (*Mr. Aird.*) Will you now consider the other question upon which you were good enough to give us information. May I ask whether you consider that the principle of limited liability has had any effect upon the existing depression of trade?—I do not think that it has had any general effect in depressing trade. I do not think that trade has been depressed by limited liability companies to any appreciable extent. There are two cases which have been mentioned, cotton spinning companies and single-ship companies. I have not gone fully into the case of single-ship companies; there I think the limitation of liability may have had some effect in attracting into the trade men who ought never to have gone into it, and in producing a set of bad ships and bad shipowners, but that subject is so mixed up with the question of insurance, which is now before the Royal Commission on the Loss of Life at Sea, that I have not gone into it; and I do not know whether this Commission would care to do so. With regard to cotton spinning companies, I have only the evidence which has been given to your Commission, and it

appears to me that that evidence shows that they have done quite as much good as harm. They have no doubt depressed the profits of other cotton spinners, but that all competition does. All that we can say is that the effect of it has been to enable small capitalists to do what only large capitalists could do before, and has thus introduced additional competition with the large capitalists. In this I cannot see that there is any evil to the productive powers of the country; but, on the contrary, a gain. The capital of the small capitalists is there and it cannot be injurious to the country as a whole, that it should be employed in production. Then if it is said that the large capitalist is a more prudent trader than a number of small capitalists or their agents, the fact may be admitted. Riches are more prudent than poverty; but that is no reason why riches should exclude poverty from competition. Apart from the question of competition in production, any laws which promote the distribution of capital amongst a greater number; which find investments for the comparatively poor; and which give them an inducement to save, are a national benefit. I think that the *prima facie* case is strongly in favour of the present law, beyond any doubt. Then special evils have been mentioned and special remedies have been proposed. The principle evil alleged is that there is a class of promoters who get up bogus speculations, who induce poor people to invest, who start the concern, and who quit it before it fails. Or that, if not actually fraudulent, the management is in the hands of ignorant men who are unable to manage the business successfully, and who lead their shareholders, their creditors, and themselves to ruin, and that in so doing they waste their own capital, and at the same time injure honest competitors. I believe that is the case against these companies and against limited companies generally. I think we may admit that this has been the fact in some cases, and to some extent, although the effect has most likely been exaggerated. On the other hand, there has been plenty of insane competition on the part of other people besides limited liability companies. But if anything can be done to prevent these evils in the future without restricting fair enterprise, everybody will agree that it would be well to do it; the real question is whether anything of the kind can be done.

This brings us to the remedies which are suggested, and they are as follows: First, the adoption of the French system of commandite, one or more of the directors remaining liable to an unlimited extent. Mr. Lowe refused to adopt that principle in 1856 for this reason, that he thought that if you made the directors' liability unlimited, you would infallibly get men of straw to take the place, and deter men of responsibility and fortune from taking the post of directors. The law of partnership liability was different at the time when that Act was passed from what it now is; since then it has been very considerably altered. At that time it was supposed that a man could not lend money to a partnership or take a share of the profits without himself becoming liable as a partner. Since the Joint Stock Companies Act was passed this state of the law has been altered partly by the decision in the case of *Cox v. Hickman*, and partly by the Act of the 28 & 29 Vict. c. 86. Those two together negatived the old presumption of law that a man could not lend money to a partnership or receive a share of the profits without becoming a partner. He can do so now; and, therefore, a man may invest money in a partnership and receive a profit upon that investment according to the profit which the company makes and yet not be a partner. That is an approach to the system of commandite. Further than that, by the Act of 30 & 31 Vict. c. 131. it was expressly provided that a joint stock company might be formed in which the directors should be liable to the whole amount of their fortune, but the shareholders only liable to the amount of their shares. That Act has now been in operation ever since, and the Registrar of Joint Stock Companies informs me that only three companies have been re-

*Sir T. Farrer.*

6 Aug. 1886.

*Sir T. Farrer.* gistered under it. There seems, therefore, certainly no great demand in this country for the law of commandite, because its real objects could be effected in either of those ways if people desired to do it. If it is desired to improve the machinery still further, and to enable a small partnership to be formed in which the managing partner should be unlimitedly liable and the other partners not liable, I see no objection why, if you give sufficient notice, there ought not to be the most absolute freedom in that respect; but I do not suppose that it would have any great effect. If, on the other hand, it is meant that you should not allow of any new companies, except those in which the directors were unlimitedly liable, I think it would be a very great evil; and that for the reason which Mr. Lowe gave in 1856, that you would frighten away men of position and substance from being directors, and you would give a great inducement to the putting of men of straw in that position.

15,128. (*Mr. H. H. Gibbs.*) Is not the responsibility of directors the essence of the commandite, that a man might do as you say a man now may do, lend money to a company, and to a trading concern, on the ground of being liable only for the amount of money which he puts in to receive a share of the profit?—Yes.

15,129. And that responsibility of the directors was an accident, which sometimes was the case, by law and sometimes by custom, but not always?—I think that a commandite partnership means a partnership in which the manager or director is liable to an unlimited extent.

15,130. In fact it would be so, would it not, if it was an ordinary trading concern; the partners are necessarily liable for the whole?—Quite so.

15,131. If a man lends 50,000*l.* to a trading concern and takes a third share of the profit, or whatever it is, of course he is not liable?—No, the person who manages the concern and who does the acts is liable, not the mere investor. The principle now established is that it is acting as partner, and not receiving profits, which makes a man partner, and makes him responsible.

15,132. (*Mr. Drummond.*) They are equally liable to that under the law of commandite?—Under commandite the manager, the gerant, is liable.

15,133. (*Mr. H. H. Gibbs.*) Who may be the whole house, in fact?—That may be so.

15,134. Supposing you take any commercial house and an outgoing partner chooses to leave in a certain sum of money, of course, the house is afterwards as it was before, liable in every pound for its engagements; but the person who leaves the money in is no longer liable except for what he lends?—That is so; and that can be so under the present law in this country.

15,135. Which, indeed, is a kind of commandite?—Yes, that is so.

15,136. (*Mr. Aird.*) What is the next proposal?—Then the second proposal is that the borrowing powers of these companies should be limited to a certain proportion of their capital. I am unable to see any reason for this; no special evil has been shown to arise from their borrowing. If limited liability is a sound form of enterprise why should its borrowing powers be limited more than those of a private firm? Whom is it intended to protect? The creditor can surely take care of himself. The shareholder knows, in the long run, much better what is for his interest than the legislature can do. The example of parliamentary companies is quoted; I am not quite certain that Parliament has done wisely by meddling with the finance of those companies, although they differ in many particulars from the case of ordinary limited liability companies. I think that in the case of ordinary traders there would be a great objection to any such law, for it would be easily evaded, and in the case of some parliamentary companies,—for instance, gas companies,—I know that the limitation has been mischievous to the public.

15,137. What is the next suggestion?—A third

suggestion is that there should be a requirement that a certain proportion of capital should be subscribed or paid up before registration. Then again, I should ask, Why? Who is injured? If a bogus company is registered with little or no capital all that happens is an addition to the registrar's list. A man who advances money either as a creditor or shareholder on the faith of registration is a fool, and anything that you attempted to put in as a safeguard would be just as liable to evasion and it would act as registration is said to do, it would rather deceive people and entice them than be a safeguard. Besides, who is to see to the truth of the alleged subscription. The allegation will often be a false one, or the subscription will be evaded. We know that it is evaded in the case of parliamentary companies. We know that contractors find the money or that the companies in some other way that they have some means of getting rid of their statutory obligations; and it would be still more so in the case of an ordinary trading concern.

15,138. What is the next suggestion? The fourth suggestion has been registration and publication of balance sheets. There is a *prima facie* plausibility about this, but I think it will not stand examination. If limited liability companies were as uniform and simple in their character as insurance companies and railway companies there would be some argument from analogy for this. But the publication of the accounts of the companies referred to, simple as they are, is not free from considerable difficulty. I can speak to this, because the Board of Trade has had to receive the accounts of these insurance companies and to publish them. There is some reason for this in the case of insurance companies where people are putting in their money with a view to a distant future and are especially liable to have the capital absorbed in the meantime. That is one reason for publishing the accounts of their capital more than exists in the case of other companies. Again, the accounts are extremely simple. The doubtful point in them is the value of the assets, and although very often they are misunderstood by the public, yet they are really extremely simple. But simple as they are I can speak to this that the acceptance and publication of those accounts of insurance companies has in my experience given rise to the most difficult and delicate questions of administration that I have ever had to form an opinion upon. I may mention one as an illustration. There was a case of an insurance company, which had been badly managed, with a very large business, both life and fire. The life business was rotten, but the fire business was good. The management was changed, and it got into the hands of honest people. Our actuarial clerk reading the accounts which the company furnished was able at once to spot a false statement in the accounts, and enabled to show that a certain large sum was put as an asset which ought to have been put down as a liability. We entered into communication with the directors. We said we must publish this; this is a thing that we cannot allow the public to be deceived by. They said to us, We quite admit that the thing has been badly conducted, but it is on the way to mend. If you expose us at this moment we shall go to the ground. Our policy-holders and our shareholders will be involved in a common ruin (and a very large ruin it would have been); allow us to go on without exposing it and you will see that in a year or two we shall come round. I had many consultations over it with Sir Robert Hamilton, who was then at the Board of Trade. It was, perhaps, the most responsible thing I ever had to do with. It was finally determined that the Company should be allowed to go on without exposure; it pulled through and is now a very flourishing concern. The result justified the confidence of the directors, but if it had gone wrong in the meantime what a scrape the Board of Trade would have been in! They would have been perfectly justified in exposing it, but it was a very great responsibility that they took upon themselves in not exposing it. If that is so in the case of an insurance company, it would be a still more



difficult thing to deal with the accounts of general trading companies of all sorts and kinds.

15,139. (*Mr. W. H. Houldsworth.*) Do I understand that the system is to select at the Board of Trade and decide what they will publish?—No, the Act of Parliament prescribes what is to be published. It gives in a schedule, the form in which a company are to state their assets and their liabilities; and it states what they are to give. In the case I mentioned, the company put into the statement something which would deceive an ordinary reader, but which would not and did not deceive an actuarial clerk. He says at once, That is wrong, say, by a million pounds here. Then immediately the question arises with the Board of Trade, Are we to let that pass unexposed, or are we not?

15,140. That does not affect the question of publishing; it is only a special case, and you prevented its being published in that case?—The majority of cases are not cases of that sort, they are generally cases where the company is not really unsound, but where there is some little difference of opinion as to the form of account. In such cases the practice is to enter into communication with the directors, and if thought proper, to publish the correspondence; but it would be impossible to attempt this with companies of all sorts and kinds, with all sorts of transactions, all sorts of debts, and all sorts of liabilities, all of which may be matter of doubt and difficulty.

15,141. (*Mr. H. H. Gibbs.*) With regard to the suggestion that a certain amount of capital should be paid up in those companies, I suppose that that is not so much intended as a protection to creditors as a protection to intending shareholders?—Yes.

15,142. That is to say, it is an enactment for the protection of fools?—That is so.

15,143. Then you look upon registration as the protection of a man against his own folly?—Yes, that is so.

15,144. A good many people are willing to put their money into a bogus concern because they say, After all it is only 10*l.* and it does not signify?—Yes, that is so. I doubt very much the possibility of reducing the accounts of limited liability companies to a uniform plan, such as can be dictated in an Act of Parliament, and I doubt the possibility of Government supervising them or putting them before the public in a condition in which they would not deceive. I do not know if these limited liability companies are recognised as legitimate forms of enterprise, why their accounts should require publication any more than in the case of a private partnership.

15,145. (*Mr. Aird.*) As regards insolvency, do you agree with the fifth suggestion that insolvent companies should be made subject to the Bankruptcy Laws?—I think there is a great deal more in that suggestion than in the others that have been made. I will not say that they should be subjected to exactly the same machinery, or to the precise regulations of the recent Bankruptcy Act, but that the principle which has been adopted in the recent Bankruptcy Act should be applied to those companies. The principle of the Bankruptcy Act is that no insolvent should be allowed to escape his creditors without a public examination; and that this public examination should be conducted by a public officer, the official receiver, one part of whose business it is to take care that the assets are realised so that the creditor can get hold of them, and the other and more important part of whose business is to see that the case is fully investigated; and if the bankrupt has committed any crime or been guilty of reckless trading, to see that he is exposed, and, if necessary, punished. I can see no reason why the same principle should not be applied to the case of insolvent companies. On the contrary, I think that there is even perhaps more reason for it in the case of companies than in the case of individual bankrupts. It is perfectly true that when you do detect a fraud you cannot punish a company in the same way that you can an individual by withholding his certificate; but if it is found on investigation that the promoters of a company have been

guilty of fraud in leading their shareholders into it, or in leading their creditors to advance money to them, I do not see any reason why they should not be visited with the penalty of unlimited liability, or why if the case demands a severer penalty their conduct should not be brought before a court of law, and that they should not be punished in that way. It is premature to attempt to lay down any specific plan of the kind, but I would say, generally, that I see no reason why the principle of the recent Bankruptcy Act should not be applied to insolvent companies.

15,146. Should limited liability, do you think, be confined to companies; why not allow an individual to make himself limited?—I should see no objection to that in principle, though much and possibly insuperable difficulty in detail. The late Master of the Rolls, Sir George Jessel, suggested it in the evidence which he gave before the Committee of 1877. The difficulty that I see is the practical one of giving notice to persons with whom the individual deals of the limit of his liability. When limited liability companies were proposed, I remember Lord Campbell saying to Mr. Lowe, "If you give sufficient notice it is all right, if not it is a — swindle," and that is just the case with an individual. How is one in dealing with a person to know that he rates his liability in the particular transaction at a given sum? If you get over that difficulty, I see no reason against it. It is a matter of contract and of notice.

15,147. Are you aware as regards the accounts of limited liability companies that in Germany they are not only returned to an official body, but that they are also published in the papers of the district where the company's business is carried on. I daresay it is so. They do a great many things in Germany which we should find it very difficult to do here.

Let me add that this whole subject was very fully investigated by a Select Committee of the House of Commons in 1877 with relation to a Bill introduced by Mr. Chadwick. Mr. Chadwick's Bill contained provisions upon almost all these suggestions which I have been mentioning, except that concerning bankruptcy, which is a new one. Their report was not unanimous and it is a little mixed, but there are two or three sentences which are well worth reading; the first, which I think is very important, says, "The evil which the Joint Stock Companies Acts were intended to remedy, was that a company could not, as a matter of right, that is without a charter, engage in business without risking the whole fortune of each of its members. In that respect the Acts have succeeded. No safeguard, however, against loss in any business can be effectual unless a man, before he parts with his money or pledges his credit, carefully inquires into the nature of the undertaking, and the character and credit, pecuniarily and morally of those with whom he is to be associated." Then they make some detailed suggestions which have never been adopted, although there have been two subsequent Acts upon the subject, and they say at the end, "The Committee consider that the present system of liquidation is unsatisfactory and requires amendment."

15,148. Many who have given evidence before this Commission have spoken very strongly in favour of the two points to which you have referred, namely, whether or not it is desirable that a return should be made to any public authority, and also as regards the liability resting upon the managers or the directors. Many have thought that to make a return would be to disclose their accounts, which they consider would be detrimental to their business operations. Do you think that the wishes of all might be met by making it compulsory that any company who takes a new liability beyond the Act shall make a return to the Board of Trade, leaving to those companies who desire to keep their business transactions private the power to do so so long as the directors take upon themselves the responsibility which their commandite has placed upon them?—I am not quite certain that I understand the proposition. Possibly it is this,

*Sir T. Farrer.*  
6 Aug. 1886.



*Sir T. Farrer.*

6 Aug. 1886.

that the managers of a company shall be liable to an unlimited extent unless they agree to publish their returns. If that is the case, I do not agree with the proposition at all, and for Mr. Lowe's reason, that I think it would frighten responsible men from accepting the office of directors. I have not sufficient knowledge of commercial transactions to speak with confidence, but I have been told by commercial men that there is scarcely any concern which would bear to have all its accounts truly published at all times. There are times when it would never do for them to publish what the real state of things is, although the thing may be perfectly honestly managed. I could mention one case of a company in which I am interested myself at this present time. I am told that it keeps back in its accounts some part of the profit it is making, and it does so for the reason that they do not want to divide too large a dividend, but to hold it over as a reserve for bad times. Nothing could be more honest, nothing could be more proper; but to put their names to an incomplete account of that kind and send it to a public office as a complete account would be a questionable proceeding.

15,149. Is it not very desirable in the interests of the public generally that the system of cooking accounts should be put an end to?—I think in that case the course that these people pursue is a prudent course, and for the interest of everybody concerned.

15,150. Is not that committing a fraud upon the Income Tax Commissioners for the time being?—I do not suppose that they deceive or attempt to deceive the Income Tax Commissioners; the income tax return is a secret return.

15,151. At all events you are not in favour of any such mode as is suggested?—No.

15,152. (*Mr. H. H. Gibbs.*) There is another reason, is there not, why people may not like to publish their accounts, and that is that the accounts cannot be so balanced as to give full and perfect information to the public?—That is so.

15,153. On the contrary, they are certain to deceive the public. In one particular concern in which I am interested the publication of trading accounts and the banking accounts are a perpetual source of deceit to the public, that is the Bank of England; they are absolutely deceptive because they are absolutely true, and the public does not the least understand them, and is constantly drawing false conclusions from them, but we fully return them by law?—That, probably, may be so.

15,154. (*Mr. Palgrave.*) You have no suggestions to make as to the law of limited liabilities, as I understand you?—Except that I think that the liquidation of limited liability companies should be assimilated to proceedings in bankruptcy under the recent Bankruptcy Act, and that these companies should be wound up on principles similar to those applied to private bankrupts.

15,155. You mean in case of their being in difficulties?—Yes.

15,156. Have you any other alterations to recommend?—No, I have nothing else to recommend.

15,157. (*Mr. Houldsworth.*) Did I rightly understand you to say that any further restriction of borrowing powers in the case of parliamentary companies was either unwise or unnecessary?—I said in the case of gas companies, I knew that that restriction had led to plundering the public. It only made the gas companies issue unnecessary share capital to their old shareholders at a premium of cent. per cent.

15,158. Do you see any reason why there should be a restriction in the case of parliamentary companies, and not any restriction in the case of limited liability companies?—I think that in the case of railways there is a reason, because it is very desirable that you should have, as is the case in this country, a strong body of investors who are interested in the well doing of railways. In America they have found the evil

of having railways made entirely with borrowed money, where the lenders have no control over the concern at all.

15,159. Are you aware that it is a very universal opinion in commercial circles, that borrowing powers ought to be restricted in limited liability companies; have you had that fact brought before you?—No, but I can quite understand that there would be a very strong feeling in the mind of many capitalists in favour of putting all sorts of restrictions upon other forms of putting capital together and using it.

15,160. Have any representations been made against it?—No, but the Board of Trade never get representations against a thing until the thing assumes a practical form. There would have been plenty of representations, no doubt, if a Bill were brought in upon the subject.

15,161. Then is it your impression that the majority of public opinion would be against restriction?—I am so very uncertain about public opinion that I can only give my own. I have no means of judging.

15,162. (*Mr. Birtwhistle.*) Supposing that all applications for shares were coupled with a deposit of 10 per cent., would that have any effect in preventing the establishment of bogus companies?—It might do so, but I do not know that a bogus company does any harm. People ought not to be misled into advancing their money by the mere registration of a bogus company, which is merely so many figures in the registrars' books.

15,163. Have you not known a number of cases where persons have taken up shares to the amount of 50*l.* without having a penny in the world, simply because they took them up to sell them the next day?—I do not think you can guard against that.

15,164. Supposing that those companies were not allowed to commence operations until a certain amount was subscribed, would that have a good effect?—The question is whom you are considering; who it is you desire to protect or benefit.

15,165. I am considering the public generally?—The public in this case may be said to consist of two sets of people, people who lend money to the company and people who advance money for shares. The people who lend money to the company, are surely infinite fools if they advance it upon the mere fact that the name of the company appears upon the registrar's books, and I think that the shareholders are equally fools if they bind themselves to pay calls without making some inquiry. I do not see how you are to protect them. I am afraid that any protection of that sort that you can devise would really act as a delusion.

15,166. Supposing that the company were to stick to their borrowing powers and if they went beyond that amount would it have a good effect to make them responsible to the extent that they went beyond their borrowing powers?—If they choose to limit their borrowing powers and the manager goes beyond that upon his own responsibility he would be liable. To limit the powers of the company in borrowing would not, I think, do any good.

15,167. (*Mr. Jamieson.*) Your attention has no doubt been called to the foreign system of limited liability, by which the gerant or manager is universally responsible?—Yes, that is commandite.

15,168. What is your opinion with regard to altering our law in that direction, do you think it would be advantageous or otherwise?—I have already said if our law needs alteration in order to facilitate the formation of such companies, well and good; but I am not sanguine about any such alteration succeeding, because only three companies have been registered under the Act of 1867 which enables such companies to be formed. But if you intend that there should be no companies except those in which the gerant or director is liable to an unlimited extent I think that that would be a great misfortune.

The witness withdrew.

Adjourned.

## LIST OF APPENDICES.

	Page.
APPENDIX A. - - - - -	50
Statement put in by Mr. R. Knight, General Secretary of the Boiler Makers and Iron Ship-builders' Society.	
APPENDIX B. - - - - -	51
Papers put in by Sir Thomas Farrer, Bart., on the subject of Railway Rates.	
APPENDIX C. - - - - -	57
Memorandum by Sir Algernon West, K.C.B., with regard to the consumption of Alcoholic Drinks, &c., in recent years.	
APPENDIX D. - - - - -	58
Further Reports from Her Majesty's Representatives abroad, — Argentine Republic, Central American States, Chili, Western Pacific Islands.	
APPENDIX E. - - - - -	71
Letters from Commander V. L. Cameron, C.B., R.N., and Mr. E. J. Watherston, on the subject of Commercial Geography.	
APPENDIX F. - - - - -	77
Letter from Mr. G. N. Hooper on the subject of the Taxation of Carriages in relation to the Depression of Trade.	
APPENDIX G. - - - - -	80
Tables compiled by the British Iron Trade Association showing the Railway Rates charged in this country and Germany and Belgium respectively on the transport of iron and minerals.	
APPENDIX H. - - - - -	86
Statements compiled by the Board of Trade at the request of the Commission with a view to show the progress of the chief Textile Industries in France, Germany, and the United States.	
APPENDIX K. - - - - -	91
Memorandum by Mr. Arthur O'Connor, M.P., observations on the evidence submitted to the Commission.	

## APPENDIX A.

STATEMENT by Mr. R. KNIGHT, General Secretary of the BOILER MAKERS and IRON SHIPBUILDERS' SOCIETY, Newcastle-on-Tyne.

The following is the number of members out of employment and on the society's funds during each month commencing January 1884:—

January -	-	3,929	July -	-	6,909
February -	-	3,561	August -	-	8,617
March -	-	4,811	September -	-	9,187
April -	-	5,820	October -	-	8,071
May -	-	6,680	November -	-	8,981
June -	-	6,727	December -	-	9,046

These figures show an average of 6,681 members out of employment during the whole year, being 23½ per cent. of the society.

The membership of the society averaged, during 1884, 29,000. During 1885 the number of members have averaged 28,200, and the number of unemployed has been as follows:—

January -	-	8,426	July -	-	6,883
February -	-	8,423	August -	-	6,934
March -	-	8,208	September -	-	6,523
April -	-	7,402	October -	-	6,577
May -	-	7,647	November -	-	7,302
June -	-	7,090	December -	-	7,711

The following figures will show how great the drain has been on our funds during the past two years:—

Balance in hand at the commencement of 1884 was	-	£	s.	d.
	-	108,545	12	9
Income during 1884 amounted to	-	74,336	3	4
„ 1885 „	-	72,105	5	0
	-	254,987	1	1
Expenditure during two years has been	-	214,567	0	0
	-	£40,420	1	1

It has cost us for sickness during the year 1884 18,189l. 4s. 11d., compared with 13,513l. 4s. 3d. for 1883, being an increase of 4,676l. 0s. 8d.

The greatest increase is the amount paid as out of work benefit, which arose from 3,606l. 4s. as paid in 1883 to the large sum of 57,205l. 13s. in 1884. If you add to this 4,492l. 18s. paid as benevolent grants you have a total amount of 61,698l. 11s. paid for the support of members and their families who have been out of employment.

The principal benefits paid during 1885 were,—

	£	s.	d.
For sickness	-	18,415	0 0
„ out of work	-	45,420	0 0
„ superannuation	-	3,412	0 0
„ funerals	-	3,469	0 0
„ medical attendance	-	3,600	0 0
	-	£74,316	0 0

To this must be added 5,420l. raised by special levy on all members in employment for grants to special cases of distress.

The following is a comparative statement of the principal items of expenditure, commencing with 1881, giving the amounts in round numbers:—

Year.	Sickness.	Funerals.	Surgeons.	Out of Work.	Superannuation.	Accident Benefit.	Disputes.
	£	£	£	£	£	£	£
1881	8,809	2,384	2,735	2,205	3,505	1,260	711
1882	11,077	2,626	3,366	734	2,574	1,350	1,652
1883	13,513	3,595	3,770	3,005	2,797	1,650	2,778
1884	18,189	3,657	3,698	57,205	3,036	2,365	5,559
1885	18,415	3,469	3,600	45,420	3,412	2,110	3,201

The above figures show that the amount paid to members out of employment is less during 1885 than 1884, although the number of men unemployed are more. This

is accounted for by the fact that each member is entitled to less benefit the second year when out of work than the year when he commences to draw on the funds.

## APPENDIX B.

PAPER put in by Sir T. H. FARRER. See Q. 14,993.

EXTRACT FROM MR. BAXTER'S EVIDENCE TO MR. EVELYN ASHLEY'S COMMITTEE OF 1882.

*Rates of Coal to London.*

The case of coal, to which I have already referred, is very instructive. It is an article of primary necessity and universal consumption; it is produced in a great many parts of England; some of them are on the sea-coast, some are not; the market for it is, therefore, subject to intense and varied competition; it is an article of great bulk and weight, and the cost of carriage is therefore very great in proportion to the price, and the mileage rates for carriage are less than usually complicated by the consideration of terminals. If there is one article more than another which tests fairly the operation of the proposed system of charges proportioned to cost of service it is coal. Let us see the effect of equality of charge on the London supply. We have the figures of this by sea and rail; and we have in Mr. Baxter's evidence before Mr. Ashley's Committee the quantities carried by rail from each coal-field to London in 1877; the distances of each coal-field from London; and the rates actually charged per ton and per mile, exclusive of terminals. The supply of London before 1850 was practically confined to the sea; the figures for 1840 being, in round numbers, by sea, 2,566,000 tons; by canal, 22,188 tons; and by railway, *nil*. In 1851 they were 3,236,000 tons by sea, 23,000 by canal, and 247,000 by rail. In 1877 they were 8,601,000 in all, of which 3,170,000 was by sea, 14,000 by canal, and 5,416,000 by railway. The supply by railway was therefore not far from twice as great as that by sea. The supply by rail comes from ten or more different coal-fields, of which the nearest is about 100 miles

from London, and the farthest 260 miles. The railway rates vary from 4s. 8d. per ton, which is '55 of a penny per mile per ton from the nearest coal-field, to 8s. 7d. per ton, which is '39 of a penny per ton per mile from the most distant. The largest quantity, 2,500,000 tons, comes from Derbyshire and Nottinghamshire, a distance of 142 miles. South Yorkshire, which is 172 miles away, sends by rail upwards of 600,000, and South Wales, which is 204 miles away, sends by rail upwards of 915,000 tons. Even Durham, which is 260 miles away, sends 260,000 tons by rail. It is obvious that competition of the railways with one another and with the sea has caused a vast quantity of coal to be sent to the London market from all parts of England. If the principle of charging rates proportioned to the cost of carriage, which in this case comes to the same thing as equal mileage, were adopted, it is obvious, looking to the large part which the cost of carriage bears in the price of coal, that the produce of all but the nearest collieries would be excluded from the London market, unless it could go by sea. The Derbyshire and Nottinghamshire coal, which has only been brought into the market by the railways, would receive a considerable additional benefit by the exclusion of many of its rivals. The 900,000 tons from South Wales, which now pays 7s. 4d. a ton, would not bear a charge of 9s. 4d.; the traffic would be lost to the Great Western Railway, and possibly lost altogether, for but little coal comes to London from South Wales by sea. The South Yorkshire coal, if charged 7s. 10½d. instead of 7s. 2d., would probably not reach London at all. There can be no doubt that the London supply would be largely diminished, and that the price of coal would rise.

PAPER put in by Sir T. H. FARRER. See Q. 14,995.

## DISCRIMINATION OR UNDUE PREFERENCE.

EXTRACTS FROM PREVIOUS REPORTS, VIZ., OF—  
Royal Commission on Railways, 1867.  
Joint Committee on Railway Amalgamation, 1872.  
Select Committee on Railways, 1882.  
Agricultural Commission, 1882.

## I.—EXTRACT FROM REPORTS OF ROYAL COMMISSION ON RAILWAYS, 1867:—

\* \* \* \*

## PART V.

Question of  
improvements in  
legislation  
as to the  
working of  
railways.

96. Having disposed of these preliminary questions, we will now examine how far it is necessary and practicable to extend the provisions of the general Acts regulating railways, for the purpose of securing to the public the more complete enjoyment of the rights which Parliament intended to confer upon them in respect of railways constructed under its sanction.

The following are the instructions laid down to guide our inquiry, viz.:—

"To inquire into the charges now and heretofore made by the several railway companies of Great Britain and Ireland for the conveyance on their lines of passengers, parcels, goods, minerals, animals, agricultural products, and other merchandise, and into the equality or difference of such charges under similar circumstances, whether as between different companies or by the same company in different cases; and where such inequality or difference exists, to inquire whether there are special circumstances which render necessary such inequality or difference, and also to inquire into the actual costs of such conveyance, and to compare such costs and charges respectively with the costs and charges relatively to the accommodation given and service performed on the railways in any one or

more foreign countries; and to report whether, with a due regard to the progressive extension of the railway system, it would be practicable, by means of any changes in the laws relating to railways or otherwise, to effect a more convenient interchange of traffic between the several systems of railways, and more economical arrangements for the working of railways, so as to make any considerable reduction in the said costs of conveyance, and in the charges to the public on account thereof; and more effectually to provide for securing the safe, expeditious, punctual, and cheap transit of passengers and merchandise upon the said railways, with as near an approach as may be to uniformity of charge and equality of treatment for all persons under similar circumstances."

To explain clearly the conclusions at which we have arrived upon the several questions we have been instructed to inquire into, it will be convenient to consider them in the following order:—

1. Inequality of rates and fares.
2. Equality of treatment under similar circumstances.
3. Actual fares and rates as compared with former charges and with corresponding charges on foreign railways.
  - a. Passenger fares.
  - b. Goods and mineral rates.
4. Conditions affecting economy and safety of working.
5. Interchange of traffic.

## 1.—INEQUALITY OF RATES AND FARES.

97. The most material complaint which we have received from the witnesses we have examined upon this subject is that the rates for conveyance of passengers and goods are unequal on different railways and on different parts of the same railway, and that in consequence of these unequal rates some districts receive advantages which place them in a better position for competition than others.

Inequality  
of charges.

Rights of the companies and of the public.

98. The rights of the railway companies and of the public respectively in this matter are thus defined in the Railway Clauses Consolidation Act:—

"And whereas it is expedient that the company should be enabled to vary the tolls upon the railway, so as to accommodate them to the circumstances of the traffic, but that such power of varying should not be used for the purposes of prejudicing or favouring particular parties, or for the purpose of collusively and unfairly creating a monopoly either in the hands of the company or of particular parties; it shall be lawful, therefore, for the company, subject to the provisions and limitations herein and in the special Act contained, from time to time to alter or vary the tolls by the special Act authorised to be taken, either upon the whole or upon any particular portions of the railway, as they shall think fit."

All the railway companies have freely availed themselves of the powers conferred upon them by this clause.

Causes of unequal rates, their advantages.

99. The carrying trade brings the railway companies into competition with carriers on roads, canals, and rivers, as well as with the whole coasting trade. The companies therefore, without regard to the rates which they charged elsewhere, have found it necessary to reduce their rates below those charged for the existing means of conveyance, whatever its cost might be, in order to draw traffic on to their own lines. However much the owners of the existing modes of conveyance may have been prejudiced, the general public have derived an unqualified advantage from the great increase of facilities for the conveyance of merchandise, which we have no doubt has largely contributed to the development of the industry and resources of the country.

Inequality of charge in respect of distance, besides being a necessary consequence of this competition, is an essential element in the carrying trade, that is to say, the principle which governs railway company in fixing the rate is that of creating a traffic by charging such a sum for conveyance as will induce the produce of one district to compete with that of another in a common market.

Hence, even if the railway company be assumed to have a complete monopoly of the railway communication of the district it occupies, it must in its own interest regulate its accommodation so as to produce as large an amount of remunerative traffic as possible.

The power of granting special rates thus permits a development of trade which would not otherwise exist, and it is abundantly evident that a large portion of the trade of the country at the present time has been created by, and is continued on the faith of, special rates.

Difficulties of legislation.

100. The conditions under which such rates are granted are so numerous that no special law could be framed to regulate them. It has indeed been suggested that it should be left to a Government board or other tribunal to arbitrate in cases where the traders asked for reduced rates and the railway companies refused them; but it must be recollected that the companies are entitled to derive a benefit from the rates assured to them by Parliament, and the course suggested would be tantamount to transferring this benefit from the companies themselves to individual traders, in order to add to the profits of their business, established with a full knowledge of the system of railway rates.

Power in the hands of the companies.

101. There is no doubt that this system confers great powers on the railway managers and directors in regard to the markets for those articles in whose cost the carriage forms an important element.

It is however the interest of every railway company to develop the trades of its district, and we learn from the North Staffordshire Railway Company that on the temporary stoppage of the supply of coal in 1864, that company, to keep up their traffic (dependent on the prosperity of the pottery trade), carried coal from the Derbyshire and Leicestershire coal-fields at a rate of freight barely in excess of working expenses. Had the railway company not done so the pottery trade would have come to a standstill, and the railway company would have sustained great loss. Similarly the Great Western and London and North-western Railway Companies brought coal into South Staffordshire from Wales at very cheap rates. More recently, in the case of a temporary interruption of the iron manufacture, the North Staffordshire Company carried puddled bars at exceptionally low rates of freight.

Unequal rates sanctioned by law courts.

102. It is worthy of notice that under the Traffic Act the Court of Common Pleas has distinctly recognised the right of a company to charge unequal rates. In the case of *Ransome v. Eastern Counties Railway* it held that a company may charge different rates for carriage where the expenses thereof are different (if this be not done to enable one particular person, A., to compete with another, B.), and as the expense of starting a train is the same for a large or small distance, this may fairly be taken into

account, and justify an inequality in the rates of carriage between different places.

103. It has further been alleged against the system which permits of unequal rates that in cases of traffic of the same nature carried on from two districts to a common market the rates have been so favourable to one district as to shut out the other.

Difficulty of enforcing uniform rates.

Without entering into the question whether a uniform rate over the whole country would not operate effectually to shut out all the traffic now carried to distant markets, it is evident that there can be no mean course between allowing the railway companies to charge what rates they think expedient within a maximum limit, and requiring that a rate proportioned to distance, or at least an equal rate for equal distances, shall be adopted.

Many important districts have access to each other by navigable rivers and by the sea as well as by railways, and hence if a uniform rate were made compulsory it would prevent those districts which possess a water route as well as a railway from getting the benefit of the low rate they now obtain from the competition between the railway and the sea or river, and thus raise the price of the article to the consumer; or else it would act as a prohibition to the railway companies whose lines are in competition with the coasting trade from carrying certain classes of traffic, and in either case would check trade. Moreover, the competition which now exists between the produce of different places in a common market would be seriously prejudiced by uniformity of rate.

It must not be forgotten that the canal companies enjoy the right under their special Acts of regulating the tolls within a maximum, and the Act of 1845 (8 & 9 Vict. c. 42.) was passed to empower canal companies to become carriers on their own canals, with the object of enabling them to compete more effectually with railways.

If any change of system were introduced on the railways it would be found necessary to modify the existing rights of canal companies, so as to bring them into harmony with the regulations which might be established for railways.

104. It is clear, from these considerations, that the interest of the railway companies is intimately wrapped up in the prosperity of the districts which they serve. It is possible that railway companies may not always take enlightened views in managing their traffic; but even in this case the public obtains the fulfilment of the conditions upon which it has deemed it proper to concede the right of constructing the railway for the conveyance of passengers and goods within the prescribed limit as to tolls and charges.

Interest of the railway companies to encourage the prosperity of their districts.

105. Parliament has, however, not only left the railway companies free to fix the rates, but has put no restraint upon the manner in which they may from time to time vary these rates. It has been represented that it is a source of great inconvenience to traders, and in some cases attended with very serious loss, that rates are changed without any previous notice. We do not think the suggestion that railway companies should be bound to give a very long notice to meet the convenience of persons who have entered into prolonged contracts is well founded, as it is the obvious duty of such persons to guard in the terms of their engagements against a contingency which is known to exist. But on the other hand it is impossible to provide in the ordinary current transactions of business for a sudden change in the cost of conveyance, which may be a material item in the market value of a commodity. We think therefore that railway companies should be compelled to give reasonable notice of any intention to raise their rates.

Alteration of rates.

106. For the several reasons we have stated, we do not consider that it would be expedient, even if it were practicable, to adopt any legislation which would abolish the freedom railway companies enjoy of charging what sum they deem expedient within their maximum rates when properly defined, limited as that freedom is by the conditions of the Traffic Act; but we are of opinion that railway companies should be required to give a reasonable notice of their intention to raise their rates of charge.

General recommendation.

## 2.—EQUALITY OF TREATMENT UNDER SIMILAR CIRCUMSTANCES.

107. An important complaint has been made that the system of special rates opens the door to injustice between traders in the same district, if not to favouritism of individuals.

Equality of treatment.

The Railways Clauses Consolidation Act, after stating that a company is at liberty to vary its rates within its parliamentary maximum, enacts—

"Provided that all such tolls be at all times charged equally to all persons, and after the same rate, whether per ton per mile or otherwise, in respect of all passengers

and of all goods or carriages of the same description, and conveyed or propelled by a like carriage or engine passing only over the same portion of the line of railway under the same circumstances; and no reduction or advance in any such tolls shall be made, either directly or indirectly, in favour of or against any particular company or person travelling upon or using the railway."

"The Traffic Act provides that no company shall make or give any undue or unreasonable preference or advantage in favour of any particular person or company or particular description of traffic. The decisions of the courts under the Traffic Act afford some clue to the rights of the public in this matter.

When an application was made to the Court of Session in Scotland (*Hozier v. Caledonian Railway Company*)—

"Where it appeared that A resided at M, an intermediate station between two large towns, G and E, and that the fare from M to G was 2s. 6d., and from M and E was 9s. 6d., but the through fare from G to E was only 2s., an application by A to the Court of Session to equalise the fares was refused; it being held that, as far as the statement of the petitioner went, nothing unreasonable was shown."

In the case of the Caterham Railway Company v. the London, Brighton, South Coast Railway Company and South-eastern Railway Company, the Court of Common Pleas held that higher charges on one branch line than on another do not *per se* constitute an undue advantage.

On the other hand, in the case of *Baxendale v. the Great Western Railway Company*, the Lord Chief Justice Cockburn—

"held that if the court became clearly satisfied that a company was seeking to promote its own advantage by establishing an equality which was unreasonable under the circumstances, and operated unfairly and injuriously upon particular individuals, or that it was affording to one person or set of persons an advantage which it would not afford to another under similar circumstances, this court would not hesitate to interfere to prevent such a result, although by so doing they might prevent the company from securing all the profit that it might otherwise derive from the use of its property. Thus, were a complaint made that a railway company, as between two intermediate stations, charged a higher rate than was due to the intermediate space in proportion to the charge made on the entire line of railway, this court would, if it were made to appear that the disproportion was not justified by the circumstances of the traffic—in other words, was an undue prejudice or unreasonable disadvantage to those using the part of the railway in question—would interfere to set aside such arrangement. So, again, if an arrangement were made by a railway company whereby persons bringing a larger amount of traffic to the railway should have their goods carried on more favourable terms than those bringing a less quantity, although the Court might uphold such an arrangement as an ordinary incident of commercial economy, provided the same advantages were extended to all persons under the like circumstances, yet it would assuredly insist on the latter condition, and would interfere in the case of any special agreement by which the company had secured to a particular individual the benefit of such an agreement to the exclusion of others, or even where an attempt had been made, by keeping the agreement secret, to make it operate unduly to the prejudice of third parties."

It is therefore clear that the law required that all traders in the same class of goods, between the same localities under the same conditions, should be charged the same rate.

It is, however, due to the railway companies to state that whatever may have been the transactions of the companies at the commencement of railway enterprise, it is now generally regarded by them as impolitic to grant any preference tending to favour individual traders, and some managers disapprove of the transmission of large quantities of goods on more favourable terms than smaller quantities. The witnesses examined before us concur in the expression of their belief that there is no disposition on the part of the railway companies to afford personal preference for the special profit of individual traders; but that the distinctions in rates made by railway companies are based upon considerations affecting the profit and interest of the railway companies themselves. This, however, is a question of such vital importance that we think it should not be left to the good intentions of the railway companies, but that any course which is practicable should be taken to ensure these intentions being carried into effect.

108. The best means of obtaining this desirable object is to ensure to the public a sufficient knowledge of all railway rates, charges, and dealings. This publicity would afford to traders of each district who might consider that their district was unfairly taxed a means of bringing their

grievance forward. Unequal rates are the essence of the present railway system, and as their discontinuance cannot be recommended, the remedy against unfairness or oppression must be sought in publicity.

Upon this subject the Railways Clauses Consolidation Act provides that—

"A list of all the tolls authorised by the special Act to be taken, and which shall be exacted by the company, shall be published by the same being painted upon one toll board or more, in distinct black letters on a white ground, or white letters on a black ground, or by the same being printed in legible characters on paper affixed to such board, and by such board being exhibited in some conspicuous place on the stations or places where such tolls shall be made payable."

From the context of the Act it would appear that Parliament intended all charges actually made to be exhibited; but in practice the railway companies have only exhibited the tolls they are authorised to demand from persons using the railway, and not the charges which they make as carriers.

The absence of publication of the rates may in some cases prevent the traders from being aware of the rates at which other persons and goods are being carried. One case of the sort brought before us may be mentioned here:—The Midland Company made an agreement with all the brewers at Burton that they should all be on the same footing; but by some arrangement unknown to the other brewers one firm obtained a considerable drawback. The other firms, however, subsequently obtained a similar reduction.

If every trader possessed a full knowledge of the rates charged to himself and to others engaged in the same business, he would be in a position, if he felt himself aggrieved, to resort to the proper tribunal under the Railway and Canal Traffic Act; or if the matter was of sufficient magnitude, or of a public character, the interference of the Board of Trade could be sought, or the parties interested could submit the case to Parliament when the railway company sought new powers from Parliament, as already adverted to.

We therefore recommend that in order to enable all persons to be in a position to ascertain with ease whether they are treated on an equality with others, it should be compulsory on the railway companies, under adequate penalties, to exhibit at every station, when required, to the persons using the station, a true list of the whole of the fares and rates charged from that station, and to give full information as to special contracts, rebates, drawbacks, and other deductions or advantages. The Board of Trade or other Government department charged with the supervision of railways should further be empowered to require returns of all tolls and charges actually levied by railway companies, with full information as to rebates and deductions, or to appoint officers to examine the books of the companies.

109. Another matter bearing on this subject also deserves consideration. In order that the public may satisfy themselves that the rates are equitably charged, it is necessary they should know accurately the distances between the several stations. The Railway Clauses Act stipulates that the distances shall be legibly marked along the line, and that no tolls shall be payable unless this is done. But this provision is not a convenient one to convey the information, and therefore we are of opinion that railway companies should be required, under adequate penalties, to publish accurate lists of the distances between the stations on their lines.

Distance  
between  
stations.

(Signed)

DEVONSHIRE.  
BELMORE.  
E. F. LEVESON GOWER.  
ROBERT LOWE.  
THOMAS B. HORSFALL.  
ROBERT DALGLISH.  
GEORGE CARR GLYN.  
ACTON S. AYRTON.  
DOUGLAS GALTON.  
EDWARD HAMILTON.  
J. R. MCCLEAN.

WILLIAM POLE, Secretary.  
7th May 1867.



## I.—EXTRACT FROM REPORT OF JOINT SELECT COMMITTEE OF THE HOUSE OF LORDS AND THE HOUSE OF COMMONS ON RAILWAY COMPANIES AMALGAMATION, 1872.

Present:

Mr. CHICHESTER FORTESCUE in the Chair.

The Lord President.  
Marquess of Salisbury.  
Earl of Derby.  
Earl Cowper.  
Lord Redesdale.  
Lord Belper.

Mr. Hunt.  
Mr. Childers.  
Mr. Dodson.  
Mr. Cross.

\* \* \* \*

1. *Equal Mileage Rates.*

The form which the proposal for a fixed standard of charges has usually taken is "equal mileage," i.e., a charge for each class of goods and passengers in proportion to the distance for which they are carried. This point was much urged before the Royal Commission, and is so effectually disposed of by their Report that it seems scarcely necessary to dwell upon it further. But it reappears in the evidence of some of the witnesses before this Committee, and it may therefore be desirable to state shortly why it is impracticable:

- (a.) It would prevent railway companies from lowering their fares and rates, so as to compete with traffic by sea, by canal, or by a shorter or otherwise cheaper railway, and would thus deprive the public of the benefit of competition, and the company of a legitimate source of profit.
- (b.) It would prevent railway companies from making perfectly fair arrangements for carrying at a lower rate than usual goods brought in large and constant quantities, or for carrying for long distances at a lower rate than for short distances.
- (c.) It would compel a company to carry for the same rate over a line which has been very expensive in construction, or which from gradients or otherwise is very expensive in working, at the same rate at which it carries over less expensive lines.

In short, to impose equal mileage on the companies would be to deprive the public of the benefit of much of the competition which now exists, or has existed, to raise the charges on the public in many cases where the companies now find it to their interest to lower them, and to perpetuate monopolies in carriage, trade, and manufacture in favour of those routes and places which are nearest or least expensive, where the varying charges of the companies now create competition. And it will be found that the supporters of equal mileage, when pressed, often really mean, not that the rates they pay themselves are too high, but that the rates which others pay are too low.

Pressed by these difficulties, the proposers of equal mileage have admitted that there must be numerous exceptions, e.g., where there is sea competition (i.e., as above stated, at about three-fifths of the railway stations of the United Kingdom), where low rates for long distances will bring a profit, or where the article carried at low rates is a necessary, such as coal. It is scarcely necessary to observe that such exceptions as these, whilst inadequate to meet all the various cases, destroy the value of "equal mileage" as a principle, or the possibility of applying it as a general rule.

2. *Rates to be fixed by relation to Cost and Profit on Capital.*

Seeing that this principle is inapplicable, one witness has suggested a somewhat different standard, viz., that the cost of carriage should be ascertained; that to this should be added whatever may be necessary in order to produce to the companies a fair return for their capital and labour; and that the sum so obtained should form the standard of charge by which the present scale of rates should be determined at first, and by which it should afterwards be revised from time to time. Assuming the data for this standard, viz., cost and profit, to be determinable, there would yet remain the question whether any fixed determination of charges thus effected would not prevent many useful arrangements now made by the companies. And the witness in question admits that the rule which he advocates could only be applied by some public authority exercising a considerable discretion, that the question in each case must be one of undue partiality, and that he would not object to a company charging low rates for a time in order to "nurse" a promising traffic, if fairly done for the sake of profit, and not at an actual loss.

But the data thus assumed are very difficult, if not impossible, to ascertain. The original cost of the particular line; the cost of carriage of the particular goods on that portion of the line, as compared with the cost of carriage of other goods on the same line, and of the same and other goods on other portions of the line; and the proportion of all these to the whole charges and expenses of the company, are items which it might be difficult for the companies themselves to give, and impossible for a committee or Government department to ascertain. Still more difficult is the determination of profit. The companies are now entitled to make as much profit as they can, so long as they do not exceed their maximum rates, and any attempt to establish a standard of charge depending on profit involves the necessity of determining by law or authority what shall be the maximum dividend. The difficulties attending any proposal of this kind are more fully considered below, and are shown to be practically insuperable.

The proposal to fix a standard for rates and fares by relation to cost and profit may therefore be dismissed as impracticable.

## III.—EXTRACT FROM REPORT OF SELECT COMMITTEE OF HOUSE OF COMMONS ON RAILWAY RATES, 1881-82.

Present:

Mr. ASHLEY in the Chair.

Mr. Barclay.  
Mr. Barnes.  
Mr. Bolton.  
Mr. Caine.  
Mr. Callan.  
Lord Randolph Churchill.  
Mr. Craig.  
Mr. Cross.  
Mr. Dillwyn.  
Sir Daniel Gooch.  
Mr. Gregory.  
Sir Baldwin Leighton.  
Mr. Lowther.

Mr. Monk.  
Mr. Samuel Morley.  
Mr. Mulholland.  
Mr. W. Newzam Nicholson.  
Mr. O'Sullivan.  
Mr. Richard Paget.  
Mr. Joseph Pease.  
Mr. Peel.  
Mr. Phipps.  
Mr. Samuelson.  
Mr. Slater-Booth.  
Sir Henry Tyler.  
Sir Edward Watkin.

\* \* \* \*

## FIXING RATES.

The question of the rate which a railway company has the power to fix for any particular kind of goods under their special Acts, and with due reference to the charge they make for other goods conveyed under similar circumstances, is one of considerable difficulty. Railway managers contend that they have the right to charge any sum not in excess of the maximum authorised by the special Act, and that they ought in no respect to be controlled in charging much more for one kind of goods than for another, although the cost of performing the service is no greater in the one case than in the other. It is indeed contended, as in the case of beef carried from Glasgow to London, that railway companies may properly carry the same kind of goods under similar conditions, from different consignors, at very different rates.

According to the evidence of the railway managers who appeared before us, no general principle or system of fixing rates has been adopted on any railway in this country. The charge for conveyance they informed us was such a sum, within the power of the company, as they thought the traffic would bear, having regard to competition, both of other means of conveyance and of other districts or markets; or, in other words, as much as could be got, and without reference to the cost to the company of performing the service. Indeed, the managers examined informed us that they found it impracticable to determine with accuracy the cost of conveying any particular kind of goods between two stations.

The railway managers assert that they carry no goods at a loss, and that even the lowest rates yield a margin of profit over working expenses; but in making this statement they do not include any charge for interest on capital.

No witness has recommended the adoption of equal mileage rates for the conveyance of goods, but many have complained of the anomalous charges by railway companies, and urged the general advantage of fixing rates on some intelligible principle, instead of arbitrarily at what railway managers think the traffic will bear.

Report,  
Royal Com-  
mission,  
Q. 97, 106,  
p. 47.  
Rayner,  
Q. 736 & f.,  
823 & f.  
Forwood,  
Q. 986.  
Gamble,  
Q. 1531.  
Rawcliffe,  
Q. 1881.

Deacon,  
Q. 1973 &  
2026.  
Hewlet,  
Q. 2102.

Rawcliffe,  
Q. 1832.

Rayner,  
Q. 736 & f.,  
823 & f.  
Parkes,  
Q. 3696.  
Forwood,  
Q. 1015.  
Rawcliffe,  
Q. 1831.

Clark,  
Q. 1181.

Clark,  
Q. 1192 &  
1318.

It appears in evidence that in the case of one, if not of more, railway companies, no maximum rate has been fixed over a large portion of their system. The Committee are of opinion that it is essential to the protection of the public that a maximum rate should be fixed in all cases.

In some cases particular kinds of goods, or goods over one portion of a railway system, are carried at very low rates as compared with those charged for other goods, or the same goods over another portion of the same system.

There is no question as to the existence of these "preferential" or "exceptional" special rates; the latter epithet being the term used by representatives of the railways. The evidence given under this head comes almost entirely either from persons engaged in production who are being charged proportionately higher rates than producers resident in other parts of the country, or from towns or places through which traffic passes, who, as engaged in the business of carrying or distribution, complain that it is diverted from them by the lower rates charged on other routes. But for the competition introduced by the low rates given by railway companies, trades would be much more local, and the trader who was nearest the market would probably make a larger profit. But, on the other hand, this competition cannot but be advantageous to the public; that Greenock sugar refiners should be in the same markets as the sugar refiners of London, while it may be a grievance to London refiners, must be an advantage to Greenock refiners, and cannot be a disadvantage to buyers of sugar. It may be worth while to follow this out as a typical case: 39 towns in England to which sugar is sent are at an average distance of 292 miles from Greenock, and the same towns are at an average distance from London of only 150 miles. The rates for these distances from London and Greenock respectively are about the same, representing, in the case of the Greenock rate 1'09d., but in the case of the London rate 2'13d., per ton per mile. In other words, sugar from Greenock is for the same sum, carried double the distance as sugar from London. This enables Greenock to compete at these 39 towns, and this is what the refiners of London object to. The demand from London, therefore, is, that either the rates for the longer distance should be raised, or those for the shorter distance reduced. The effect of compliance with this demand would be to close some of these markets against Greenock sugar, to deprive the northern lines of a considerable portion of their trade, handing it over to the southern lines, and to give a practical monopoly to the London sugar refiners, who would be real gainers by the transaction. It does not appear to your Committee that such a result would be either just or reasonable.

Although "equal mileage" rates, that is to say, rates proportioned exactly to the number of miles run, have not been advocated on this occasion, as before former Committees, still, ideas have been put forward so closely resembling such as would naturally support the mileage system, that it may be worth while to recall the words of the Committee of 1872:—

"The form which the proposal for a fixed standard of charges has usually taken is 'equal mileage,' i.e., a charge for each class of goods and passengers in proportion to the distance for which they are carried. This point was much argued before the Royal Commission, and is so effectually disposed of by their Report that it seems scarcely necessary to dwell upon it further. But it reappears in the evidence of some of the witnesses before this Committee, and it may therefore be desirable to state shortly why it is impracticable:

- "(a.) It would prevent railway companies from lowering their fares and rates, so as to compete with traffic by sea, by canal, or by a shorter or otherwise cheaper railway, and would thus deprive the public of the benefit of competition, and the company of a legitimate source of profit.
- "(b.) It would prevent railway companies from making perfectly fair arrangements for carrying at a lower rate than usual goods brought in larger and constant quantities, or for carrying for long distances at a lower rate than for short distances.
- "(c.) It would compel a company to carry for the same rate over a line which has been very expensive in construction, or which, from gradients or otherwise, is very expensive in working, at the same rate at which it carries over less expensive lines.

"In short, to impose equal mileage on the companies would be to deprive the public of the benefit of much of the competition which now exists, or has existed, to raise the charges on the public in many cases where the companies now find it to their interest to lower them, and to

perpetuate monopolies in carriage, trade, and manufacture in favour of those rates and places which are nearest or least expensive, where the varying charges of the companies now create competition. And it will be found that the supporters of equal mileage, when pressed, often really mean, not that the rates they pay themselves are too high, but that the rates that others pay are too low.

"Pressed by these difficulties, the proposers of equal mileage have admitted that there must be numerous exceptions, e.g., where there is sea competition (i.e., at about three-fifths of the railway stations of the United Kingdom), where low rates for long distances will bring a profit, or where the article carried at low rates is a necessary, such as coal. Is it scarcely necessary to observe that such exceptions as these, whilst inadequate to meet all the various cases, destroy the value of 'equal mileage' as a principle, or the possibility of applying it as a general rule."

But some kind of equality of charge is pressed in other forms and on other grounds. Farmers complain that imported agricultural produce is given a bounty over home produce by being carried at a low rate; that foreign corn and meat are carried from Liverpool to London for less than English corn and meat; that American cattle are conveyed from Glasgow to London for less than Scotch cattle; that cattle landed at Newcastle are carried inland for less than cattle reared in Northumberland and Durham; that foreign fruit and hops are carried from Boulogne or Flushing to London for less than fruit and hops from Ashford or Sittingbourne. Wire manufacturers complain that Belgium wire and other goods are brought from Belgium to Birmingham for less than similar goods are charged from Birmingham to London. Makers of chemicals complain that the coal which they use is made to pay higher rates than the coal sent past their works to Liverpool for exportation to their foreign rivals; and Limerick complains that foreign bacon and provisions are carried from Liverpool to Limerick at much less rates than is charged for Limerick bacon over the same route to the same port. Bradford complains that the export trade from both Manchester and Bradford enjoys rates which are preferential as compared with those for the home consumption trade. In short, the complaint is frequently heard that railway companies prejudice home producers by low import and export rates.

Your Committee think that many of these differential charges afford substantial grounds for complaint, but they do not consider it necessary to express an opinion as to how far these differential charges constitute undue preferences, because that is a point which the proper tribunal has full power to determine, and each case must be considered on its merits.

At the same time it must be admitted that when a farmer sees American wheat carried at a lower rate than his own, or when a manufacturer near a market has his profits in that market reduced by a competitor at a distance, who is brought into the market by the lower rates given to him, it is not surprising that there should be complaints, and that attempts should be made and from time to time repeated to fix some standard by which rates shall be determined. One form in which this proposal has been made is, that the rate ought to bear some fixed proportion to the cost of the service performed; or in other words, that the companies ought not to be allowed to make a higher profit on one part of their traffic than on another.

It would be an answer to this suggestion to say that any such standard of charge would be difficult, if not impossible, in practice. To ascertain what is the relative cost and profit of each description of traffic would be beyond the functions of any Government department or court of law, and the companies allege that it would be beyond even their power. It would entail the finding and consideration of such items as the original cost of the particular line; the cost of carriage of the particular goods on that part of the line as compared with the cost of carriage of other goods on the same line, and of the same and other goods on other portions of the line; and the proportion of all these to the whole charges and expenses of the Company. But assuming it to be practicable, it is open to question whether the public would gain by this or by any other fixed standard of rates.

Any fixed standard of rates would materially interfere with competition. Supposing such a standard fixed, the result would be that the traffic which is now carried at a low rate in competition with a sea route would be driven from the railway to the competing sea route, whilst the railway, if it is to make as much aggregate profit as before, must charge a higher rate than it now charges on the traffic which remains to it.

If Parliament were to say that the North-eastern and Great Northern Companies shall make no greater profit on cattle or on fish brought from Newcastle, or from Hull, or

Grimsby, to London, than they do on cattle or fish brought from Scotland or from abroad over the same portions of their respective lines, the effect would be either to send the Scotch and foreign goods by sea to London, or to prevent them going to London. In either case the traffic of cattle and fish to the London markets would be restricted; the price would be raised; and though the price would be raised the English producer would not get the benefit of it, for the railway companies would be able to raise their rates on English cattle and fish, in order to recoup themselves for the loss of their Scotch and foreign traffic; or again, if the Great Eastern were not allowed to have a cheap long distance rate to London, the trade of Norfolk and Suffolk in agricultural produce would almost disappear as regards cattle.

Therefore when it is said that low rates always increase traffic, and that the companies will adopt universally the lowest rates they are now charging to anyone, the answer is that they are likely to understand their interest better than the legislature; that if you force them into equal rates they will no longer have any inducement, or indeed be able, to make the experiment of low rates, whereas under the present system competition and self-interest oblige them to make these experiments.

Again, taking the case of the inland towns which complain of the lower mileage rates granted between towns which have better access to the sea, it is obvious that the railway companies are really only preserving to the latter the advantages which nature has given them, and that to prevent them giving the lower rates would really benefit no one except the owners of steamers. Places less accessible by natural avenues, like navigable waters or the sea, may be less fortunate, but it is scarcely just or profitable—it must be unprofitable to some interest—to undertake by arbitrary laws to supply the advantages denied by their situation.

Or, taking the preference alleged to be given by the railway companies to Barrow and Fleetwood over Liverpool, or to Hartlepool and the Tyne over Hull, it seems most unlikely that the companies would have incurred the expense of the docks of their own at Holyhead or at Hartlepool unless they were satisfied that the trade was such as to pay them for these docks, and for the longer railway journey, without destroying what the companies already possessed, viz., the traffic from Liverpool and Hull. If the rate to Barrow and Fleetwood were raised, the traffic to those places would suffer, and the railway companies, in order to recoup themselves for the lost profit, might charge higher rates to Liverpool; so that Barrow and Fleetwood would suffer, while Liverpool might not gain. The probability is, that the trade of the country gains, as a whole, by bringing these routes into operation.

It may therefore be assumed that some of the inequalities of charges complained of are to the advantage, rather than to the disadvantage, of the public. Where there is an "undue preference" the law now gives a remedy. A preference, to be illegal, and to furnish a reasonable cause of complaint, must be unjust. It is not unjust so long as it is the natural result of fair competition, and so long as equal rates are given for like services under like circumstances, and for like quantities of merchandise. It has thus been repeatedly decided in the case of passenger fares that there is no ground of complaint, merely because the fares over one part of a railway system are higher than those over other parts. It has also been decided in the case of goods that circumstances which make the cost of carriage differ, such as steep gradients, or difference in quantities to be carried, will justify difference in charge. And this is but right. What is reasonable for a road of easy gradient and a large volume of business would be unreasonably low for a road of heavy gradients and a smaller traffic. The discrimination or preference as regards quantities is recognised by the natural laws of trade, and is common to all branches of business. A man who buys goods wholesale expects and will receive more favourable terms than the one who buys at retail. The seller by one

wholesale transaction is saved the trouble and expenses of many smaller ones, as well as the cost of storage. This is so natural, and founded on reason, that no one thinks of calling it preference. The same thing must be recognised in the business of transportation; there must be all the difference in cost whether an unbroken full train is hauled to the terminus of a line, or whether the trucks of which it is composed are distributed at numerous different points, with the delay and expense of stoppages and "shuntings."

The witnesses from Ireland, besides complaining of inequalities which are similar to those already described, and which call for the same remarks, made several special complaints. They allege that the rates charged for local traffic are generally higher than on English railways, and that the classification is less liberal, especially as to agricultural produce and implements; that these local rates are high, out of all proportion as compared with those on through traffic between stations in England and stations in Ireland, to the great injury of the Dublin wholesale houses; that by the action of the Irish and English Traffic Conference, including lines of steamers, a complete monopoly has been established, the rates from Liverpool to Dublin by sea being kept up to those *viâ* Holyhead. In fact, that by means of their control of the through traffic the great railway companies are enabled to prevent independent steamers from carrying at the rates which competition would naturally bring. They also pointed out that the management of the Irish railways is needlessly expensive, in consequence of their being owned by a number of companies, each having its own staff—there being in Ireland 270 directors, 37 secretaries, 20 managers, and a corresponding staff of subordinate officers for the administration of railways having a capital of 36 million pounds; whereas the Great Western Railway of England, having a capital of nearly twice that amount, is managed by a single board of 18 directors, a secretary, and a general manager. As to this point, your Committee are agreed that the further amalgamation of the Irish railways would tend to economy and efficiency of working, and that such amalgamation should not only be urged on the companies concerned, and meet with every facility which Parliament can offer for effecting the requisite arrangements, but also, if necessary, be made the subject of direct parliamentary action. Your Committee are also of opinion that there should be one classification for the United Kingdom.

As to the conference of companies for the purpose of mutual agreement, such as the English and Irish Traffic Conference, your Committee would point out, that such associations are inevitable, and find place in almost every branch of trade.

Your Committee cannot recommend any new legislative interference for the purpose of enforcing upon railway companies equality of charge.

#### IV.—EXTRACT FROM REPORT OF HER MAJESTY'S COMMISSIONERS ON AGRICULTURE (1882) [C.-3309].

##### "Railway Rates" (p. 32).

"In a preceding part of this Report we have directed attention to the complaints of producers, not only of the inequality of railway rates as affecting home producers, but of the still more serious disadvantage arising from preferential rates for foreign commodities.

"The present law clearly contemplates that similar treatment should be accorded to similar goods carried under similar conditions, but the evidence before us shows that in many cases such equality does not exist; and we would recommend that the law should be so amended as to provide a cheap and speedy means of securing the equality contemplated by the existing law.

"We are not, however, prepared to recommend that railway companies should be debarred by legislative enactment from offering special terms for through traffic from abroad."

APPENDIX C.

MEMORANDUM by Sir ALGERNON WEST, K.C.B., on the CONSUMPTION of ALCOHOLIC DRINKS in Recent Years. (See Question 919.)

STATEMENT showing the TOTAL QUANTITIES of BRITISH, FOREIGN, and COLONIAL SPIRITS, FOREIGN WINES, BEER, TEA, COFFEE, and COCOA, retained for HOME CONSUMPTION in the Years ended 31st December 1852, 1862, 1872, 1882, 1883, 1884, and 1885; and the quantity of each consumed per head of population.

Year ended 31st Dec.	Popula- tion.	Consumption of														
		British Spirits.		Foreign and Colonial Spirits.		Gallons per head of Spirits of all kinds.	Foreign Wines.		Beer.		Tea.		Coffee.		Cocoa.	
		Gallons.	Gallons per head.	Gallons.	Gallons per head.		Gallons.	Gallons per head.	Barrels.	Barrels per head.	Pounds.	Pounds per head.	Pounds.	Pounds per head.	Pounds.	Pounds per head.
1852	27,500,000	25,200,879	916	4,566,359	177	1'093	6,346,061	231	16,732,454	608	54,713,034	1'909	34,978,432	1'207	3,328,528	121
1862	29,255,015	18,836,187	644	5,193,641	177	821	9,764,155	334	19,337,191	661	78,793,977	2'694	34,451,766	1'178	3,622,433	124
1872	31,835,757	26,873,183	844	9,068,329	285	1'129	16,765,444	527	28,171,661	885	127,661,360	4'010	31,173,555	976	7,791,763	245
1882	35,278,999	28,554,264	809	8,338,578	236	1'045	14,339,070	406	27,023,616	766	164,958,230	4'676	31,214,553	885	11,928,549	338
1883	35,631,290	28,713,997	806	8,289,841	233	1'039	14,287,317	401	26,828,040	753	170,730,777	4'793	31,562,067	886	12,888,470	362
1884	35,961,540	27,994,727	778	8,065,705	225	1'003	14,075,625	391	27,586,526	767	175,097,983	4'869	33,016,256	918	13,963,891	388
1885	36,325,115	26,609,488	733	7,935,085	218	951	13,848,746	381	27,101,238	746	182,455,982	5'023	33,410,272	920	14,595,168	402

It will be seen from the above table that, with the exception of a slight fluctuation in favour of beer in the year 1884, the consumption of beer, spirits, and wine per head of the population, since the year 1872, has steadily decreased, and that in the same period there has been a steady increase in the consumption of tea, coffee, and cocoa. There are no statistics published of the consumption of mineral waters or other temperance drinks, but there appears to be no doubt that the sale of these beverages has also very much increased.

The number of public-house licenses issued for the period from 1882 to 1885 was as follows:—

Year ended 31st March.	Number of Licenses issued to		
	Publicans (in- cluding Spirit Grocers, Scot- land).	Retailers of Beer (Beershops).	
		To be consumed on the Premises.	Not to be consumed on the Premises.
	No.	No.	No.
1880 - -	97,291	38,816	17,691
1881 - -	96,657	35,244	18,381
1882 - -	96,541	34,520	19,365
1883 - -	96,407	34,007	18,851
1884 - -	96,110	33,705	17,709
1885 - -	95,979	33,307	17,298

The gradual decrease in the issue of these licenses is very marked, and although this may be due to some extent to the action of local magistrates, the frequency with which public-houses change hands, and the complaints made by publicans of the want of vitality in the trade, point to the conclusion that there is not the same inclination to invest capital in this class of business as was formerly the case.

As the revenue derived from the consumption of alcoholic drinks forms such an important item in the fiscal arrangements of this country, inquiries are made from time to time to discover the causes of its rise or fall; the result of which inquiries lead me to think that, although there are other disturbing influences which affect it at certain periods, but which are more or less transitory, the gradual decline in the consumption of alcoholic beverages must mainly be attributed to the growth of temperance habits

amongst the people. This assertion must be taken for what it is worth, as in the absence of statistics it is impos- sible to estimate the number of persons who have joined the various temperance leagues in this country in the past few years, but it is beyond all doubt that the movement continues to make progress, and to exercise a large amount of influence upon the drinking habits of the community. This is especially noticeable in provincial towns, where the advocates of temperance, encouraged by the clergy, appear to meet with greater success than in other parts of the country.

In Liverpool, for instance, in addition to other agencies in existence, a British Workman's Public-house Company (Temperance) was formed about five years ago, and started business with five houses, the company now owns 60 houses, some of which are equal to hotels in point of comfort, style, and general appointments, and is paying a large dividend to the shareholders.

In Birmingham it is estimated that about 10,000 temperance pledges were received last year by the different temperance societies in the town.

In Portsmouth it is estimated that at least 11½ per cent. of the population are total abstainers. This includes a large number in the Army and Navy, in both of which Services the movement has made great progress of late years.

Whilst in Manchester, Cardiff, Hull, and other towns the temperance advocates not only hold their own, but are gradually gaining ground.

But apart from the success met with by the advocates of total abstinence, there is an increasing disposition on all sides and in all classes of society to indulge less freely in the use of alcoholic drinks.

Mr. Gladstone in his Budget Speech of the 24th April 1882, in alluding to this matter, said: "I think the Com- mittee will agree with me that we can trace the operation " of this diminution in the use of alcoholic drinks pre- cisely where we should wish to trace it, that is, in the " augmented savings of the people. In 1874 the deposits " (in the savings banks) were 41,500,000*l.*, and in 1881 " they were 44,175,000*l.*, showing an annual increment of " about 350,000*l.*" The increase in these deposits has become greater year by year, and would seem to indicate that from thrift alone there are a great number of people who, although perhaps not total abstainers, indulge less freely in stimulants than formerly.

(Signed) ALGERNON WEST.

Inland Revenue, Somerset House.

## APPENDIX D.

## FURTHER REPORTS FROM HER MAJESTY'S REPRESENTATIVES ABROAD.

## ANSWERS RECEIVED.

	Page		Page
Argentine Republic - - - - -	58	Chili - - - - -	65
Central America - - - - -	61	Mexico - - - - -	66
Nicaragua.		Western Pacific Islands - - - - -	69
Costa Rica.		Samoa.	
Honduras.		Tonga.	
Salvador.			

## ARGENTINE REPUBLIC.

MY LORD, Buenos Aires, May 19, 1886.

WITH reference to the Marquis of Salisbury's Despatches of the 6th October and the 18th November last, I have the honour to enclose herewith a very full report which has been drawn up by Mr. Bridgett, Her Majesty's consul in this town, respecting British trade and industry in the Argentine Republic, for the information of the Royal Commission on the Depression of Trade and Industry, in accordance with the instructions contained in the circulars above referred to.

I have, &c.

The Earl of Rosebery, (Signed) F. PAKENHAM.  
&c. &c. &c.

REPORT on the relative position of British as compared with Foreign Import Trade in the Argentine Republic, with a view to furnish information to the Royal Commission on the Depression of Trade and Industry, 1885.

*History of the Trade in General.*

1. In 1864, previous to the war with Paraguay, the import trade of the Republic amounted to 23,000,000 dollars. During the war it continued to increase, reaching 49,000,000 dollars in 1870; the first check being received in 1871, when it fell to 45,000,000 dollars, in consequence of the epidemic of yellow fever which caused all business to be suspended in Buenos Aires for two months. A reaction set in, and led to our imports reaching a total of 73,000,000 dollars in 1873, and a severe commercial and financial crisis, accompanied with political troubles, ensued, bringing ruin to many.

2. As a consequence of this, trade rapidly diminished to 36 millions in 1876, when the country, having recuperated its forces by strict economy both in public and private expenditure, aided by the enhanced value of its products, a new era of prosperity commenced, which, with the exception of a slight check in 1880, owing to the political revolution of that year, has continued up to 1885. The import trade which we left at 36 millions in 1876 rose to 46 millions in 1879, falling to 45 millions in 1880, to advance to 55 in 1881, 61 in 1882, 80 in 1883, and 94 in 1884.

3. The trade of the country has consequently increased over 300 per cent. in the last 20 years, the quinquennial progression being as follows :—

Year.	Millions \$	On previous period.	On 1864.
1864 - - - - -	\$ 23	Per cent.	Per cent.
1869 - - - - -	41	+78	+78
1874 - - - - -	57	+39	+143
1879 - - - - -	46	-19	+100
1884 - - - - -	94	+104	+308

4. The doubling of the trade during the last 10 years is somewhat phenomenal, and this rate of progression cannot be expected to be maintained even by the most enthusiastic believer in the future destiny of the country.

5. The fearful extravagance of both the national and provincial government, not only in useful, but also for useless, although ornamental, works, brought about a suspension of specie payments at the commencement of this year (1885), depreciating the value of the circulating medium by fully one third.

6. Contrary to what happened during the previous suspension of specie payments in 1875, this measure has not affected commerce to any great extent, beyond the first losses suffered by importers, business being on a sound basis without failures of importance.

7. Owing to the depreciation in value of the currency, the general depression in trade in Europe, and consequent decline in value of all commodities has scarcely been felt here, the producers' expenses having increased but little, whereas the value of their productions has, in their eyes at least, been enhanced, though European economists may consider this enhancement more imaginary than real.

8. For these reasons, and although on the eve of a presidential election, which is always a time of great trouble in these countries, the imports have not declined to any great extent, the partial statistics of the country as shown by the Buenos Aires Custom House giving 67½ millions, January to November, as compared with 69 millions during the same period in 1884.

*British Import Trade in Particular.*

9. The Custom House statistics having only recently been fully organised, the year 1876, which is the lowest point touched after the crisis of 1873, has been taken as the starting point of this report, which is based on the official figures of the "Statistical Department of the Argentine Republic." The values assigned are those of the Custom House, which are generally considered to be the real approximate values of the goods here in bond. A difference between these values and those declared in the exporting countries arises from the fact of the former including cost, freight, insurance, and other charges, which have to be paid by the consuming country, whereas the latter is based only on first cost.

10. In 1876 the total trade reached 36,000,000 dollars, of which 9,000,000 were from Great Britain, equal to 24 per cent. of the whole, and this proportion has gone on steadily increasing to 27 per cent. in 1880.

In 1881 the mania for public works commenced, and as the materials for these are principally received from Great Britain, the ratio rose to 38 per cent. in 1883, falling again to 32 per cent. in the year 1884, the 10 months of this year showing an advance.

11. The requirements for public works not being of a continuous nature, the following table has been prepared showing the net value and ratio of imports, after deducting the values of these materials, and bar gold, imported for coinage during 1882 and 1884 :—

	Values, 00,000 omitted.			Per-centage of Total.		
	1876.	1880.	1884.	1876.	1880.	1884.
Great Britain -	\$ 9'0	\$ 12'5	\$ 21'8	24'9	27'5	26'6
France -	8'3	8'3	16'6	23'2	18'2	20'2
Germany -	1'8	2'4	8'8	5'0	5'2	10'8
All other countries	17'0	22'0	34'7	46'9	46'1	42'4
Totals -	36'1	46'1	81'9	100	100	100

12. It would thus appear that during the period under review, the ordinary trade of the country has increased from 36,000,000 to 82,000,000 dollars, or 128 per cent., and the proportion corresponding to Great Britain has advanced from 9 to 21½ per cent., or, say, 141 per cent.

13. Some of the other nations have, however, increased in a larger ratio. Germany, Belgium, and the United States have about quadrupled; France, from 8·3 per cent. in 1876 to 16·6 per cent. in 1884, has just doubled her trade, and it would have been greater but for the recent establishment of direct German lines of steamers, many German goods having formerly been imported *via* France.

14. Germany is also credited with 520,000 dollars for Hessians (bagging) shipped at Dundee *via* Hamburg, which should properly be credited to Great Britain, thereby altering considerably their respective ratios.

#### Principal Branches of British Trade.

Textile goods, manufactured iron, and materials for public works constitute the principal part of British trade with the Argentine Republic in 1884.

The annexed table, detailing the principal imports, gives the separate values and ratios, viz., (000's omitted):—

	Textile Goods.				Iron and Hardware.				Machinery for Public Works.	
	1876.	1880.	1883.	1884.	1876.	1880.	1883.	1884.	1883.	1884.
Great Britain - - -	\$ 3,339	\$ 5,833	\$ 9,996	\$ 8,882	\$ 1,559	\$ 2,164	\$ 3,397	\$ 4,990	\$ 6,762	\$ 7,081
Totals - - -	6,879	10,169	17,238	17,803	2,224	3,509	6,811	10,003	7,469	10,243
Proportion of the Total	48 per cent.	57 per cent.	58 per cent.	50 per cent.	70 per cent.	62 per cent.	50 per cent.	50 per cent.	81 per cent.	69 per cent.

showing that, although the general results are satisfactory, British trade is losing ground in those branches in which formerly it was above competition.

16. This is in a great measure due to the apathy and indifference of the British manufacturer, who, contrary to the more advanced ideas of his continental competitors, will not take the trouble of suiting his customers' tastes, but will persist in sending out old and unsuitable styles, remnants of shipments intended for other markets, entirely forgetting the requirements of a trade reaching 19,000,000 per annum, and of a country receiving over 100,000 immigrants during the year.

17. The policy of the British home merchant, especially in the dry goods line, who blindly follows the traditions of his predecessors, without taking into account modern innovation in the system of doing business, is also a leading factor in this decline, and until this policy is altered by giving local agents more independence, trade will be diverted more and more every day into the hands of others, who are more alive to the importance of quicker and decided action, and to the necessity of suiting the tastes of their customers.

#### Special Articles of British Trade.

18. The following remarks are offered on the several classes of imports:—

##### Group 1.—Eatables and Colonial Products.

19. In this group, as is only natural, the position of Great Britain is a low one, sugar, oil, and other leading articles being received direct from producing countries. In Colonial products Liverpool supplied 30 per cent. of the rice imported in 1884. Germans are obtaining the monopoly of shipment of cleaned rice, owing to greater facilities in their ports and less expenses. In tea 90 per cent. finds its way from China *via* Great Britain, whereas formerly direct cargoes used to arrive. Cheese is represented by 5 per cent. as against 15 per cent. in 1876.

##### Groups 2 and 3.—Wines, Spirits, and Tobacco.

20. The same remarks apply to these two groups. In beer the Germans, by brewing a lighter and more suitable article, have almost ousted British brews, the ratio for which has fallen from 44 per cent. in 1876 to 13 per cent. in 1884.

##### Group 4.—Textile Goods.

21. French, Germans, and Belgians are striving hard to obtain the control of this important branch of trade, and are rapidly improving their position, except in plain goods, in which they cannot compete to advantage; but in printed and fancy goods the superior taste of the continental manufacturers is telling very seriously.

In cotton goods the ratio of Great Britain shows 60 per cent. for 1876; 66 per cent. for 1880; 68 per cent. for 1883; and 61 per cent. for 1884; showing a serious

fall last year. In prints Great Britain only supplied 47 per cent.; German and French coming well to the fore owing to the superiority of their patterns.

In linen goods the old position is well maintained, while in Hessians, as before pointed out (paragraph 14), the imports are really of British manufacture, although shipped at German ports. In union and mixed goods the British have lost ground slightly during the last nine years; but in woollens they have remained almost stationary, although imports have increased over 130 per cent., representing only 11 per cent. in 1884 as against 21 per cent. in 1876. In silk goods the ratio has improved from 12 per cent. to 21 per cent.

22. In hosiery the Germans do a larger and the French nearly as large a trade, owing to their being able to supply more suitable goods at cheaper rates. The last year's ratios are—Great Britain 17½ per cent., French 16 per cent., Germany 19 per cent., and Belgium 11½ per cent.

##### Group 5.—Clothing.

23. Clothing has greatly fallen off, and is now principally in French hands.

The ratios for Great Britain were in—

	1876.	1884.
Under clothing - - - - -	Per cent. 39	Per cent. 24
External - - - - -	22	24
Hats - - - - -	15½	31

In hats the position of Great Britain has improved, but France still leads.

##### Group 6.—Drugs and Chemicals.

24. France is predominant in perfumery and patent medicines.

##### Group 7.—Wood.

25. In lumber the United States heads the list with 2,870,000 dollars m/n., Canada (not included in Great Britain) following with 567,000 dollars m/n., but some of Canadian origin is shipped at United States ports. In furniture and pianos France, Germany, and United States monopolise the business, the share of Great Britain having fallen from 12½ per cent. in 1876 to 2 per cent. in 1883 and 3 per cent. in 1884.

##### Group 8.—Paper.

26. Paper is supplied principally from the continent. There was imported from Great Britain, printing paper to the value of 128,000 dollars m/n., or 25 per cent. of the whole, and writing paper 23,000 dollars m/n., or 17½ per cent. of the whole.



*Group 9.—Leather.*

27. Owing to protective duties the values of boots and shoes imported have remained stationary, only the finer classes being now received from abroad. The British ratio has fallen from 50 per cent. in 1876 to 20 per cent. in 1884.

For other articles of this group French goods predominate.

*Group 10.—Iron and Steel, including Machinery.*

28. The total imports have increased 350 per cent. in the last nine years, from 2,200,000 dollars m/n. to 10,000,000 dollars m/n., but Great Britain only made an increase of 216 per cent., say, from 1½ to 5 millions.

The ratio of Great Britain has fallen in this group—

1. In raw material, from 93 per cent. in 1876 to 70 per cent. in 1884.
2. In fencing wire, from 86 per cent. in 1876 to 40 per cent. in 1884.
3. In manufactures, from 63 per cent. in 1876 to 50 per cent. in 1884.
4. In machinery and agricultural implements, from 40 per cent. in 1876 to 3 per cent. in 1884.

29. The continental makers are formidable competitors, owing to their being able to supply a cheaper article; and Belgium comes to the fore in the first three classes, Germany in the second and fourth, France in second and third, and the United States in the fourth.

*Group 11.—Other Metals.*

30. Great Britain, with 165,000 dollars, equals 26 per cent. of the jewellery imported, France 30 per cent., and Italy 17 per cent., but very little of the jewellery and precious stones figures in the Custom House returns. In watches and clocks the proportions are maintained as regards Great Britain, but in manufactured goods of metal the French predominate.

*Group 12.—Glass and Earthenware.*

31. Great Britain is represented in this group as follows: say, in tiles, 90,000 dollars m/n., or 18 per cent. against 72 per cent. from France; glass ware, 142,000 dollars m/n., against 12½ per cent. from France, 22½ per cent. from Germany, and 30 per cent. from Belgium; while earthenware stands for 179,000 dollars, or 40 per cent. against France 19½ per cent. and Germany 26 per cent.

*Group 13.—Vegetable and Mineral Products.*

32. In cement, Great Britain sends 155,000 dollars m/n., equal to 52 per cent. of the whole; and salt 64,000 dollars m/n., being 21 per cent. against the 72 per cent. of Spain.

*Group 14.—Combustibles and Illuminants.*

33. The United Kingdom sends 124,000 tons coal, valued at 1,240,000 dollars m/n., and stearine candles, 61,000 dollars m/n., say, 19 per cent. against Belgium's 46 per cent. The United States send all the kerosene oil, to the declared value of 1,000,000 dollars m/n.

*Group 15.—Sundry Manufactures.*

34. Fancy goods from United Kingdom, 431,000 dollars m/n., or 35 per cent. against 51 per cent. from France; while of cordage, United Kingdom sends 173,000 dollars m/n., or 42 per cent. against Belgium's 27 per cent.

*Group 16.—Live Stock.*

35. The export trade in frozen meat is attracting attention, and the necessity of improving the quality of the beef and mutton of the country has led to an active trade in animals of superior breed, principally supplied from the United Kingdom. In horned cattle 740 animals came thence, value 128,000 dollars m/n., against totals from all parts of 783 animals, value 135,000 dollars. Of sheep 1,114 came, value 100,000 dollars, out of a total of 1,503, value 133,000 dollars, while horses were received from United Kingdom to the number of 46, value 55,000 dollars m/n., against a total of 79, valued at 63,000 dollars m/n.

*Group 17.—Materials for Public Works and Companies, &c.*

36. This group is unenumerated in the Custom House statistics, but the provision from Great Britain has fallen from 81 per cent. to 69 per cent. The railway companies, being mainly British, receive most of their materials

from Great Britain, but large Government contracts are placed in the United States for locomotives and rolling stock, and in Belgium for rails, &c.

Having thus passed in review the salient features of the trade of Great Britain, as called for by the Circular Despatch under reply bearing date 1st October 1885, I would beg reference to the accompanying categorical answers to questions Nos. 1 to 18, referred to as "Enclosure No. 2" in the above Despatch, merely adding in conclusion that no reference is made in this report to the export trade of the Republic, as such would appear not to come within the scope of the inquiry contemplated by the Royal Commission; but it is worth while noting how in the last quarter of a century such trade has passed in a great measure from British hands to those of other nationalities.

On the other hand, the carrying trade in British bottoms has increased from 390 vessels, with a tonnage of 265,000, in the year 1873, to 562 vessels, with a tonnage of 533,000, in 1884, or more than double. This applies only to Buenos Aires, and excludes other ports in the Republic, among which Rosario counts for 157,000 tons arrived in 1884.

RONALD BRIDGETT,

Buenos Aires, Her Britannic Majesty's Consul.  
24th December 1885.

REPLIES to questions propounded in "Enclosure No. 2," referred to in a letter of Mr. G. H. Murray, Secretary to the "Royal Commission on the Depression of Trade and Industry," to Mr. Bourke, M.P., dated 1st October 1885.

1. See paragraph 15 of Main Report as regards principal branches of British trade.

2. See paragraphs 15, 21, 28, 29, and 36 as regards principal branches, and 19 and 36 as regards individual articles.

3 and 4. No. British trade in general is in a satisfactory state and healthy state, though suffering from several evils which could be remedied if the manufacturer and merchant chose to work on a different basis.

5. The progress of British trade has steadily followed that of the general business of the country, and its ratio has considerably improved during the last nine years, for which, see paragraphs 10 and 12 of Main Report. Imports from United Kingdom being principally of articles that cannot be produced here, no great diminution in the volume of its trade need be feared for a long time to come. A few of the articles enumerated under groups 5, 8, 9, 10, 11, 12, and 15 may in time be manufactured here, but the raw materials will principally have to come from Great Britain. Other countries are more likely to suffer, especially those interested in groups 1 to 4, and 7 to 9.

6 and 7. Owing to increase of local production, alimentary imports have decreased from 45 per cent. in 1876 to 29·5 per cent. in 1884 of the total imports. Clothing and textile goods (groups 5 and 6) have improved from 25·5 in 1876 to 27·7 in 1881, and to over 28 in 1882-3, falling to 24·5 in 1884. Group 7 of same table shows 4·2 in 1876 against 9·8 in 1884. Group 8 gives 4·2 against 3·5. In group 9, articles for industrial and manufacturing purposes, including materials for public works, &c., show an increase from 15·3 in 1876 to 37·6 in 1884, reduced as regards the latter year by deducting extraordinary imports to 28·3 (see paragraph 11).

8. (a.) The demand for capital continues for all purposes, and both Government and people will take as much British capital as they can get, and the more they get the more they appear to want.

(b.) The financial crisis has induced the withdrawal of a large amount of floating British capital formerly employed here.

(c.) The return on capital is much smaller than it was 20 years ago, when 18 and 24 per cent. per annum was not an unusual rate. Now it ranges from 6 to 10 per cent. according to the nature of the investment, and no security of a sound class gives more than the latter rate.

9 and 10. No general and exact information as to the rates of wages is available, but on the riverine provinces they are enormously high at certain seasons, and, notwithstanding the immigration for the current year, already exceeds 100,000, principally Italians, the demand for both skilled and unskilled labour continues in excess of the supply.

11. The retail trade of the Republic is in the hands of natives and foreigners, only very few British subjects being engaged in it. This naturally fomented trade with other

countries, as the foreigner, once his business commences to increase, orders many of the goods required from his own country, and by constantly keeping them before his customers induces their consumption, and increases the volume of his country's trade, in which he is very much helped by the larger immigration of his countrymen as compared with that of British subjects. The British dry goods importer by rigidly adhering to the old system of not breaking single packages is fast losing the position he occupied 20 years ago, and his business is rapidly passing away to others who recognise and carry out the present requirements of trade. Again many wholesale dealers now supply themselves direct from Europe, thus dispensing with the services of the importing merchant as formerly understood.

There are no impediments to the extension of British trade in this Republic beyond those pointed out in paragraphs 16 and 17 of Main Report. The customs tariff may be considered as favouring British productions, and an improved system of business would doubtless develop consumption.

12. No particular branches of trade have been wholly transferred, but in many the competition of foreigners is being seriously felt. See paragraphs 19 to 23 and 28 to 30 of Main Report.

13. Some few industries have sprung up which have but slightly affected British trade. They have been fostered by protective customs duties, and scarcely any British firms or capital are interested therein.

14. The Custom House duties form the principal source of the revenue of the Republic, and were formerly only levied with this object, but within a few years a decided protective policy has sprung up, and many articles which are now produced in this country are charged with an excessive duty if imported, but as stated they have not seriously affected British trade.

15. There are no bounties or other State aid, but excessive custom duties allow sundry small industries to subsist which would otherwise disappear, and cheaper freights on State railways in the interior for some classes of native productions are accorded.

16. There is a general chamber of commerce, and also French and Italian ones for the development and fostering of their especial trades. Also there exists an association of dry goods importers, and one of local manufacturers, the chief object of the latter body being to foster native production by the imposition of heavy protective duties.

17. A credit of four, five, and six months is customary in the import trade. Buyers usually accept bills except in the hardware business. In the local or retail business six months' credit may be taken as a limit, but it is frequently exceeded, no documents being signed.

18. There is a trade mark and a patent law which can be rendered effective in the case of undisputed rights.

RONALD BRIDGETT,  
British Consulate, Her Britannic Majesty's Consul.  
Buenos Aires,  
December 24, 1885.

TABLE A.

## IMPORTS INTO ARGENTINE REPUBLIC.

Total value of imports (in m/n, 000's omitted).

From.	1875.	1880.	1884.
Great Britain - - -	15,871	12,506	30,727
France - - - -	12,589	8,292	16,785
Germany - - - -	2,251	2,365	8,968
Belgium - - - -	1,882	2,483	7,249
United States - - -	3,171	3,224	7,451
Totals from all countries -	57,624	45,535	94,066
Of which Railway Materials -	3,848	48	9,062

TABLE B.

Per-centage and Proportion of above.

From.	1875.	1880.	1884.
Great Britain - - -	27·6	27·5	33·7
France - - - -	21·9	18·2	17·8
Germany - - - -	3·9	5·2	9·4
All other countries -	46·6	49·1	40·
TOTAL - - - -	100·	100·	100·

## CENTRAL AMERICA.

MY LORD,

Guatemala, June 16, 1886.

IN reply to the Marquess of Salisbury's Despatch of the 6th October last, I have now the honour to forward the reports upon depression of trade which I have received from Her Majesty's consular officers in Nicaragua, Costa Rica, Honduras, and Salvador, as given below.

I have, &amp;c.

(Signed) J. P. H. GASTRELL.

The Earl of Rosebery,  
&c. &c. &c.

## NICARAGUA.

REPLIES of Her Majesty's Consul at Grenada, Nicaragua, to the questions put by the Royal Commission on the Depression of Trade and Industry.

1. The chief branches of British trade and industry connected with this district are Manchester and Birmingham manufactures, viz., all kinds of cotton goods and hardware.

2. There are no statistics. I believe that there has been an increase both in volume and value.

3. No.

4, 5, 6 and 7. Require no answer.

8. (a.) The demand for capital is nearly the same as the average demand of the last 20 years. Latterly it has declined a little, because

(b.) the supply of capital is greater, and

(c.) the return is smaller.

9. The rate of wages, both for skilled and unskilled labour, is above the average of the last 20 years.

10. (a.) Rates of wages for master mechanics, packers, masons, agricultural overseers and skilled artisans, one dollar per day, equivalent to, say, 3s. 2d. sterling. Experienced journeymen are paid 80 cents per day. Apprentices, labourers, and unskilled workmen, 40 to 60 cents per day.

(b.) Hours 6 a.m. to 4 p.m., or 8 a.m. to 6 p.m.

11. There are no special impediments.

12. None of importance.

13. No.

14. No particular increase has taken place in the pressure of local or general taxation which takes the form of importation duties and monopolies. There is no direct taxation.

Theoretically the tariff system is held to favour those engaged in productive industries, but in this country no great industry has arisen in consequence.

It may be said that the system of taxation is favourable to those engaged in agriculture, inasmuch as machinery and agricultural appliances are free of duty. Otherwise all industries which require the aid of imported materials pay their share of taxes.

15. To no extent.

16. No such institution.

17. Long credits. Wholesale, one and two years. Retail, six months.

18. No regulations whatever affecting trade marks.  
(Signed) ERNEST E. JESSEL.  
Grenada, January 21, 1886.

British Consulate, Greytown, Nicaragua,  
January 14, 1886.

SIR, I HAVE the honour to acknowledge receipt of your circular Despatch, dated November 22nd last, instructing me to furnish you with a report upon British trade in this Republic, and also as far as possible upon the points mentioned in the paper which you enclosed me.

The greater part of the questions contained in the paper you enclosed me cannot be answered, as they in no way refer to this consular district, there being absolutely no manufacturing interest within its limits, the whole business being confined to the carrying trade with the interior of the Republic, and the procuring and exportation of india-rubber, tortoise-shell, cocoa-nuts, &c. I have, therefore, to confine my remarks chiefly to a comparison of the proportion of export and import trade entering and leaving the Republic to and from the various European countries and the United States, and this only to a limited extent, as it is only within late years that any statistics have been kept.

The commercial relations of Nicaragua are almost entirely confined to England, the United States of America, France, and Germany. The following tables show the exports and imports with the respective countries for the years 1875 to 1884, and from these tables it will be seen that, with the exception of the import trade from France, the commercial relations with all the above-mentioned countries have steadily increased. This, of course, is but natural in a thinly-inhabited country like Nicaragua, in which only of late years there has been any decided attempt at development, and which even now has comparatively but a very small population.

Commerce with foreign countries for the years 1875 to 1884 inclusive.

#### ENGLAND.

	Imports.	Exports.
	£	£
1875 - - -	83,639	—
1876 - - -	87,084	—
1877 - - -	257,794	103,785
1878 - - -	90,079	99,707
1879 - - -	108,155	85,733
1880 - - -	130,136	121,027
1881 - - -	153,083	127,857
1882 - - -	122,651	124,830
1883 - - -	135,678	143,631
1884 - - -	145,696	155,184

Showing an increase in the imports in the year 1884 as compared with 1875 of 62,057*l.*, or 73 per cent.; and in the exports as compared with the year 1877 of 51,399*l.*, or 49 per cent.

#### UNITED STATES OF AMERICA.

	Imports.	Exports.
	£	£
1875 - - -	23,446	—
1876 - - -	14,667	—
1877 - - -	40,524	84,080
1878 - - -	39,251	79,246
1879 - - -	52,679	100,631
1880 - - -	79,178	181,139
1881 - - -	77,727	152,312
1882 - - -	84,859	178,879
1883 - - -	90,259	194,697
1884 - - -	95,671	163,095

Showing an increase in the imports in the year 1884 as compared with the year 1875 of 72,225*l.*, or 308 per cent., and in the exports as compared with 1877 of 79,015*l.*, or 94 per cent.

#### FRANCE.

	Imports.	Exports.
	£	£
1875 - - -	83,639	—
1876 - - -	87,084	—
1877 - - -	26,346	25,230
1878 - - -	29,996	24,621
1879 - - -	29,681	27,986
1880 - - -	32,042	16,831
1881 - - -	69,141	39,591
1882 - - -	59,120	33,713
1883 - - -	52,933	56,301
1884 - - -	59,487	46,870

Showing a decrease in the imports in the year 1884 as compared with 1875 of 24,152*l.*, or 29 per cent., and an increase in the exports as compared with 1877 of 21,640*l.*, or 86 per cent.

#### GERMANY.

	Imports.	Exports.
	£	£
1875 - - -	8,207	—
1876 - - -	6,395	—
1877 - - -	8,339	15,951
1878 - - -	4,494	15,599
1879 - - -	9,003	31,062
1880 - - -	5,152	20,743
1881 - - -	10,609	22,379
1882 - - -	15,672	21,543
1883 - - -	24,421	26,729
1884 - - -	37,774	45,723

Showing an increase in the imports in the year 1884 as compared with 1875 of 29,567*l.*, or 60 per cent., and in the exports as compared with the year 1877 of 29,772*l.*, or 187 per cent.

From the foregoing figures you will see that although in the first year shown in the tables England led both in the import and export branches of trade, yet in the year 1884 she was only second to the United States in the exportation, although she still maintained the lead in the import branch. Again, taking the per-centage of increase in trade, it will be seen that with the exception of the importation from France, that show an actual decline, the rate of increase of trade of all the other foreign countries is in excess of that of England, both in the exportation and importation branches.

The great increase of trade between the years 1875 and 1884 in importation from and exportation to the United States of America that these tables show does not, in my opinion, result so much from actual competition with England as from a new trade and source of export that has sprung up. Since the year 1875 the india-rubber cutting, which was then carried on in a very limited scale, has been fully developed, and at the present time form the second most valuable item of the exports of Nicaragua. By far the greater part of the india-rubber trade has been directed to the United States of America, partly perhaps as the proximity of the United States gives to that country a natural advantage in the markets of Nicaragua, but chiefly that the goods required by the merchants engaged in the india-rubber trade consist almost entirely of flours and other provisions for fitting out their rubber cutters, and as they obtain these provisions in the United States, and almost always on credit, they more or less direct their shipments of india-rubber to the same place in order to cover their invoices. This and the considerable trade that has sprung up, within late years, in kerosine and other purely American products, more than any actual competition with England, has tended to raise to such an extent both the importations from and the exportations to the United States of America.

I regret to say that no statistics classifying the merchandise entered at the Custom House of Nicaragua can be obtained. I have, therefore, to rely upon my own observation in making any comparison as to the amount of competition between the various foreign countries and Great Britain in the trade with this Republic. With respect to the United States of America, there appears to be a decided tendency to purchase in the United States the better class of cotton goods, such as heavy drills, and the superior class

of printed goods, whilst America undoubtedly has by far the greater trade, and, in some cases, almost the monopoly of cutlery, machinery for agricultural and other purposes, wire fencing, sewing machines, drugs, wooden furniture, fire-arms, carriages, &c.; but by far the most marked and important feature of the foregoing tables is the increase that within the last four years has sprung up in the importations from Germany. These importations consist chiefly of low-class imitations of English goods, such as cottons, woollens, hardware, &c., and also of French goods, and to this source I think is chiefly due the great fall in the value of importations from France, from whence formerly came the greater part of the shipments of wine, spirits, perfumery, haberdashery, fancy goods, ribbons, stationery, &c. It is true that German goods have a bad name amongst the buyers here on account of their low quality, but their extreme cheapness, combined with a certain showy, even if fictitious, appearance, has served to bring them more and more prominently every year in the market. Of late years there has also been a considerable exportation of low grades of coffee to Germany, these grades being disposed of more advantageously in Hamburg than in London, Paris, or New York, whilst there has been within the same time an increasing tendency to ship the higher grades of coffee to Paris. London, however, still receives the bulk, of the Nicaraguan coffee crop, and still retains the highest percentage of the total trade of Nicaragua (as shown in the following tables), although this per-centage has been steadily declining.

Table of the proportion of the total trade of Nicaragua held by the following nations:—

—	1877.	1884.	1877 to 1880.	1881 to 1884.
England - -	51	37	41	31
United States - -	24	32	30	34
France - -	10	13	10	14
Germany - -	4	10	5	6
	89	92	86	96

The proportion of imports from and exports to these nations was:—

—	Imports.		Exports.	
	1877 to 1880.	1881 to 1884.	1877 to 1880.	1881 to 1884.
England - -	51	40	34	33
United States - -	24	25	36	42
France - -	12	17	8	10
Germany - -	2	6	7	6
	87	88	85	91

Referring particularly to the list of questions you enclosed me:—

1. The chief branches of British trade with this Republic are, cotton goods, woollens, ironware, tinware, soap, candles; and in exportation, coffee, india-rubber, indigo tortoise-shell.

2, 3, 4, 5, 6, 7, 8, require no answer, as manufacturing industries do not exist within this Republic, and, as will be seen by the foregoing tables, business has actually increased, although the proportion of British trade, as compared with other foreign countries, has decreased.

9. The rate of wages within this district for both skilled and unskilled labour has remained more or less unchanged.

10. The skilled labour within this consular district is confined to house carpenters, ship carpenters, blacksmiths,

and mechanics, and the rate of wages is more or less as follows:—

Per day.	£	s.	d.	At Exchange 6½50 to the pound sterling.
House carpenters -	3	0=	9 3	
Ship carpenters -	2	50=	7 9	
Blacksmiths -	3	50=	10 9	
Mechanics -	2	50=	7 9	
Unskilled Labour :—				
	£	s.	d.	
Sailors, per month -	15	= 46	1	
Labourers, per day -	1	= 3	1	

The usual hours of labour are nine hours per day. The greater part of the population of this district are engaged in collecting india-rubber and tortoise-shell. They are paid for the amounts they bring in in accordance with the market price in Greytown, and which follows, more or less, the quotation of the European and United States markets. The rubber-cutters and shell-fishers are generally heavily indebted to the merchants, and in such cases it is customary to make an agreement beforehand, by which the rubber-cutter or shell-fisher is compromised to sell his produce at a certain per-centage below the Greytown market price, usually at a discount of some 10 per cent.

11. I know of no special impediments to the extension of trade between Great Britain and this Republic.

12. As mentioned before, the most marked transfer of trade from Great Britain to other countries is in the line of imports.

The introduction from the United States of high-class cotton goods, and from Germany of low-class cotton or woollen goods and hardware. The English brands of beer have been entirely superseded by the lighter classes of beer, imported from the United States and Germany.

In the line of exports the most marked transfer of trade is the shipment of low grades of coffee to Hamburg, and in a lesser degree of the higher grades of coffee to Paris.

13, 14, 15, cannot be answered, as there are no industries of the class referred to within this district.

16. There are no commercial museums, export agencies, chambers of commerce, or any other institutions to promote trade within this consular district.

17. The usual trade credit is from three to six months. In the case of the rubber-cutters, it is customary to provide the cutters with such provisions, &c. as they and the merchants may deem necessary.

The rubber-cutters then go into the forest, where they may remain three months if fortunate in finding the rubber-trees, and at other times six up to twelve months, in the latter case they return for a fresh supply of provisions. Upon bringing down the rubber, the amount of the indebtedness is deducted from the proceeds of the sale. As a rule, however, the rubber-cutter is so heavily indebted to the merchants that he is never able to pay off the whole of his account.

18. There are no regulations whatever with regard to trade marks.

I have, &c.  
(Signed) H. BINGHAM.

#### COSTA RICA.

REPORT upon British Trade as compared with Foreign Trade in Costa Rica, with Answers to Questions contained in Circular from the Royal Commission on the Depression of Trade and Industry.

1. Cotton, woollen goods, and hardware.

2. Demand been less; in the first place on account of the fall in prices of coffee, the chief export of the country, and in the second place, the competition by Germany and the United States of America with British manufactures.

3. Slight general depression.

4. Since 1879, when the prices of coffee began to fall; has now probably reached its lowest point.

5. Fairly uniform—better prospects for the future, in view of the probable arrangement with the bondholders of the Costa Rican foreign debt, and conclusion of the railroad to the capital, under the protection of a new English Company, thus putting the interior in direct communication with the shipping port of Limon on the Atlantic, and placing the interests of Costa Rica under British protection; which fact should alone tend to considerably extend the trade with England. Another Anglo-Costa Rican enterprise now in a fair way of being realised, viz.,

the working of the Agnate mines, would be another step in the same direction, and would greatly help to keep the important export trade of the country in British hands.

6. More or less to all classes of trades.

7. Yes, according to the continual fall in the prices of coffee.

8. (a.) The demand for capital, below the average of the last 20 years.

(b.) The supply of capital above the average.

(c.) The return on capital below the average.

9. Rate of wages rather above the average.

10. A skilled mechanic earns from 5 to 10 shillings a day, agricultural or other ordinary labourers from 2 to 4 shillings.

11. The special impediments to the extension of trade between Great Britain and this Republic are: the want of cheap and rapid communication, the extension of said communication would be followed immediately by the cultivation and development of new national industries hitherto untried on account of the dearth of transport. Both soil and climate in Costa Rica are suitable for the cultivation of nearly every description of exportable produce.

12. Yes; the trade with the United States of America and Germany is increasing, especially in such articles as long knives, axes, shovels, American cloth, unbleached cottons, fruits, sewing machines, saddlery, toys, &c.

13. No.

14. The proceeds of the custom duties form the chief part of the national revenue. The tariff up to now, although high, and levied on gross weight of merchandise, and not "ad valorem," has not been on a par with other Spanish-American Republics. On the 1st of January next, however, a new tariff comes into force by which all articles of luxury, and such articles which are industries of the country, such as ordinary wood furniture, tailoring, shoe-making, saddlery, &c., will pay about 40 per cent. more than hitherto.

15. Up to the present year both the Royal Mail Steam Packet Company and the Pacific Mail received a subvention from the Costa Rican Government, now the former is withdrawn and placed on the same footing as other lines of steamers calling at Port Limon, viz., a reduction of 5 per cent. of the duties on all merchandise landed by them. The subvention to the latter is continued, as there is no competition on the Pacific.

16. There are no museums or other institutions to promote trade, and no chamber of commerce.

17. The credit given by wholesale houses in Costa Rica vary from three to nine months, and retail trade is done for cash or current quarterly accounts.

18. There are no regulations in force with regard to trade marks.

(Signed) CECIL SHARPE.

San José, Costa Rica,  
24th December 1885.

#### HONDURAS.

British Consulate, Truxillo,  
January 20, 1886.

SIR,

IN reply to your circular of 22nd November 1885, enclosing paper of questions from the Royal Commission on the Depression of Trade and Industry, I have the honour to inform you that I have given my most careful attention to the said questions, and that I find the condition and volume of British and foreign trade in this port are not of sufficient scope to allow me to answer them categorically in a satisfactory manner; I have, therefore, the honour to make a general report as follows:—

Trade in general, foreign as well as British, is at present in a very depressed condition; this is owing almost entirely to two causes.

1st. The ruined condition of the sugar industry in Cuba.

2nd. The present disturbed condition of this Republic.

The island of Cuba has always been the principal, if not the sole market on the Atlantic side for cattle, the growing of which has been the main industry of this district for some years past, and up to the year 1883 there were annually shipped to Havana from 12,000 to 30,000 head; in 1884 the shipments began to fall off, and in 1885 only some 2,000 head were sent (these 2,000 being shipped by British merchants), and in the year 1886 it is hardly probable that any shipments whatever will be made.

The government of the Republic since the accession of President Bográn in 1883 has been continually threatened with attempts at revolution by factious parties, besides

having come into collision with some of the other Republics at the time of the late General Barrios' attempt to force the union of the five Central American States, and for a considerable portion of his term of office the country has been under martial law.

This has, of course, kept British and foreign capital from being invested; and consequently the progressive movement begun during the seven years of peace which the country enjoyed from 1876 to 1883 has been entirely checked, and things have gone back rather than advanced.

The only appreciable competition received by British manufacturers in this market is from the United States. Manufacturers in that country seemed lately to have turned their attention very seriously to the Central and South American trade, and, favoured by cheaper freights, are now successfully competing with British cotton goods.

In conclusion, I have the honour to state that until there is some vast improvement of trade in the island of Cuba and the government of this Republic sufficiently strong to hold out a fair prospect of continued peace, I do not look for any revival of trade whatever.

I have, &c.

(Signed) THOMAS PHILLIPS,  
Acting Consul.

#### SALVADOR.

SIR,

San Salvador, January 17, 1886.

IN reply to your circular dated 22nd November last, and with reference to the report you direct me to furnish upon British trade as compared with foreign in this Republic, I would venture to remark from the outset that I do not believe that British trade can be fairly described as "depressed," and in my opinion it may be said to compare favourably with foreign.

The chief branches of British trade are manufactured cotton and woollen goods, machinery, and drugs.

During the period from 1880–1885 as compared with the preceding 15 years, both as regards volume and value, I would state as being considerably in excess.

I would decidedly say the condition of industry generally and of British trade in particular cannot be fairly described as depressed at the present time as compared with the last 20 years.

The only noticeable depression is, perhaps, in the British beer trade, the importation of which article has almost ceased, German and American beer having supplanted it, caused, perhaps, from the fact that British brewers will persistently make a strong beer when a light one is preferred, and until the consumers' tastes here are studied I see no chance of a revival of English consumption.

With regard to the rate of wages for labour, I would say it is above the average as compared to the last 20 years.

Skilled labour is practically unknown, whilst farm and other descriptions are not scarce by any means; the rate of wages per diem is about 40 cents, equal to about 1s. 6d., and the usual working hours are about 10.

As to any special impediments to the extension of trade between Great Britain and this Republic, I do not know that any exist.

As regards the exportation of produce, chiefly indigo, coffee, and balsam (Peru), some years ago the bulk of these articles were shipped to the British markets, but as steam communication has of late afforded facilities to shippers to continental and other ports a large portion of the products I refer to is diverted from the London market in consequence, I am given to understand, of the London charges of produce being so much in excess in comparison with continental ports.

I do not know of any noticeable establishment or increase of industries for the production of articles formerly imported from the United Kingdom, excepting those of soap and candle, which are now made here; but then again the importation of these formerly from the United Kingdom amounted to little as the bulk of the candles were of foreign manufacture.

I do not think that any noticeable increase has taken place in the last few years on the local or general taxation on the trade and industry of the Republic, the system of such taxation is favourable to those engaged in productive industries as compared with the balance of the community.

The only bounty granted by the State is upon sugar at the rate of 50 cents per quintal.

The facilities for transport are improving now the railways are in progress of construction.

With regard to commercial museums, pattern or sample rooms, export agencies, or other institutions to promote trade, I must mention that none of the kind exist in the

Republic, neither is there such an institute as chamber of commerce.

Mostly all business is done upon credit, the terms of which range from two to 12 months.

No regulations are in force with regard to trade marks, the registering of these, however, was recently brought by me under the notice of the Government, and the matter will be ventilated, perhaps, shortly.

I have, &c.

(Signed) JOHN MOFFAT,  
Consul.

J. P. H. Gastrell, Esq.,  
Her Britannic Majesty's Minister Resident,  
Guatemala.

## CHILI.

MY LORD, Santiago, April 26, 1886.

I REGRET very much that the death of Mr. Drummond Hay, who had undertaken to draw up a report on the Chilean trade for the information of the Royal Commission on the Depression of Industries in Great Britain, in accordance with the instructions conveyed in the Marquis of Salisbury's circular despatch of the 6th of October last, should have left that despatch without an adequate reply.

Mr. Hay had written to a few of the vice-consulates higher up the coast, as I have already had the honour to state in a previous despatch, for information on local trade and answers to the Committee's questions; but he trusted chiefly to his own resources and the help of his own friends at Valparaiso to draw up a proper report on the subject.

The little which I am able to say cannot, I am afraid, be considered at all as an answer to Lord Salisbury's despatch. The replies of the vice-consuls which have been sent to me afford but slight help, and I have not been able to collect any data stretching over a sufficiently long period. But within the last month certain *résumés* of the foreign trade of Chile, export and import, in the last two years, 1884 and 1885, have been published by the Department of Commercial Statistics in Valparaiso, which, I think, ought to be transmitted to your Lordship without farther delay for so much as they may be worth, and, therefore, I have the honour to enclose them herewith. If they do not suffice for the purposes of the Royal Commission, they will still perhaps serve to excuse the writing of a few lines upon the outside aspect of the trade to which they refer.

The Chilean foreign trade is not at present in a very prosperous state. It has more or less persistently declined ever since the late war with Peru and Bolivia. Of its two branches imports have suffered most, but exports have not been spared in the general misfortune. The causes are not far to seek. On the conclusion of peace, foreign goods were imported into the successful republic in excess, and instead of superfluous wealth to repay these additional luxuries, the vendors found only difficult finances, endless liabilities, and a doubtful paper currency. At the same time miners, artisans, and field labourers had all taken military service and become dispersed, so that all those enterprises and industries upon which the export trade must depend were made to suffer.

The financial difficulties, no doubt inevitable at first, have become more and more heavy in the course of time. No endeavour has been made to remove them. On the contrary, they have even been found convenient, and the official, if not the general, opinion in Chile seems to be that all is for the best in the best of worlds; that a dwindling foreign trade shows a growing internal prosperity; a decrease of foreign importation means an increase of home manufactures, and a loss by money exchanges ought to induce a gain upon sales of raw produce abroad.

The last of these paradoxes has a certain amount of truth in it, for any dollar is always a dollar in its own country, and when the value of the native currency falls in the Chilean market the money received in foreign currencies as the price of produce sold abroad will naturally buy more Chilean dollars for home use than it could do if they had a higher intrinsic worth. I do not think that even so much can be said for the rest. There are individuals in plenty who find their advantage in unstable financial conditions; but these can hardly be believed to bring benefit to the country at large.

o 24357.

Complaints may occasionally be heard to the effect that all the movable wealth of the country that has not been sent out of it already is going as fast as it can; that nobody will put money any more into internal Chilean investments; and that the loss of real value which has befallen the currency has made life so dear that its expense has become embarrassing to everybody, and a very sad and difficult problem indeed to all who have to depend upon a fixed income.

These things, it may be thought, ought not to occur in a country of so much natural wealth, for Chile certainly possesses very exceptional internal resources. Setting aside the much-contested guano and nitrate deposits in Tarapacá, which have been the foundation of so many Peruvian transactions and are still the subject of so many disputes and reclamations, she has undoubtedly great mineral wealth still undeveloped. The Cordillera and the hills that spread westwards from it are full of gold, silver, and copper; but mining processes are expensive, and both capital and means of transit are apt to be wanting. She is able also even now, as the returns show, to export a considerable quantity of wheat, and produces a very fair wine in plenty, as well as wool and timber. It may be that their very knowledge of the country's capabilities has made her rulers over-confident.

The returns of 1884 cannot be supposed to represent the highest value to which the foreign trade of the Republic has ever attained, but those of 1885 show a signal declension from even this standard. The imports valued at \$52,886,846 in the former year have fallen to \$41,218,725; that is to say, there is a decrease of rather more than 20 per cent. The exports have not suffered quite so heavily. Eighty per cent. or four fifths of this account is set down to "mineria," or mineral produce, including guano and nitrate. It cannot fail to be remarked that manufactures, at best not a very large item, have fallen off to no less an extent than 75 per cent., or two thirds, and miscellanies rather more than 50 per cent., or one half. Less coin has been sent out of the country because there has been none in the market; but exportations of silver in ingots and bars in place of coin have more than doubled.

It is a little consoling, in the midst of all this, to find that the British share of the Chilean trade is not shown by these tables to have diminished in any special degree during the past year. In imports it fell short about 25 per cent., whilst that of Germany lost 30, that of France (Chilean ladies spend large sums upon articles of costume and Parisian novelties) about 25, and that of the United States again 30. The trade with India, I regret to see, decreased to the extent of 75 per cent.

In exports the British share is less than in 1884 by about 5 per cent. only, whilst that of Germany is about 20 per cent. lower, and that of France even more diminished. The United States' share, on the contrary, rose slightly. The whole export trade of Chile, valued at \$67,766,450 in 1884, amounted to \$51,490,286 in 1885; shipments to Great Britain representing no less than 80 per cent. of that sum.

I have the honour to transmit two tables of statistics which give the relative share of each nationality in the export and import trade.

I have, &c.  
(Signed) HUGH FRASER.

The Earl of Rosebery,  
&c. &c. &c.



## RELATIVE SHARES of Foreign Countries in the Chilean Import Trade, 1884-1885.

COUNTRIES.	1884.	1885.	1885.	
			Increase.	Decrease.
Great Britain	20,528,343	15,505,558	—	5,022,785
Germany	10,259,840	7,116,525	—	3,143,315
France	8,561,773	6,480,861	—	2,080,912
Argentine Republic	3,434,152	3,233,239	—	200,913
United States	4,160,570	2,721,265	—	1,439,305
Peru	2,986,000	2,645,316	—	290,684
Brazil	615,616	805,847	190,231	—
Italy	640,918	392,733	—	248,185
Ecuador	235,972	233,463	—	2,509
Spain	341,758	223,875	—	117,883
Uruguay	304,817	217,506	—	87,312
India	387,325	128,345	—	258,980
Belgium	139,162	126,563	—	12,599
China	160,037	104,872	—	55,165
Australasia	53,963	56,219	—	17,744
Costa Rica	27,991	24,191	—	3,800
Guatemala	29,787	14,087	—	15,700
Paraguay	953	1,227	274	—
S. Salvador	30,967	984	—	29,983
Nicaragua	—	204	204	—
Portugal	1,569	176	—	1,393
Colombia	4,434	—	—	4,434
Elsewhere	30,869	83,574	52,675	—
Total	52,886,846	40,096,620	243,384	13,033,601

## RELATIVE SHARES of Foreign Countries in the Export Trade of Chili, 1884-1885.

COUNTRIES.	1884.	1885.	1885.	
			Increase.	Decrease.
Great Britain	41,955,582	39,878,538	—	2,077,044
Germany	3,863,943	3,240,785	—	623,158
France	3,767,369	2,705,012	—	1,062,357
Peru	2,810,989	1,767,503	—	1,043,486
United States	1,336,315	1,627,003	290,688	—
Ecuador	1,014,908	452,807	—	562,091
Uruguay	226,621	220,174	—	6,447
Guatemala	21,498	93,690	72,192	—
Colombia	777,102	86,869	—	690,233
Brazil	107,176	80,546	—	26,630
Argentine Republic	25,615	43,112	17,497	—
Belgium	94,380	37,733	—	56,647
Italy	34,857	27,315	—	7,542
Malvina Islands	11,280	10,288	—	992
Nicaragua	—	6,000	6,000	—
Australasia	—	5,787	5,787	—
Mexico	24,400	4,743	—	19,657
Portugal	2,000	3,885	1,885	—
Holland	111,940	—	—	111,940
Switzerland	2,385	—	—	2,385
San Salvador	2,000	—	—	2,000
Spain	101	—	—	101
Rancho	1,575,919	1,198,396	—	377,523
Total	57,766,450	51,490,286	394,019	6,670,183

## MEXICO.

Her Majesty's Legation, Mexico,  
June 9, 1886.

MY LORD,  
I HAVE the honour to enclose herewith a copy of a communication I have received from Mr. Carden, transmitting answers to the questions respecting the condition of trade in Mexico contained in Lord Salisbury's Circular of October 6, 1885.

I have, &c.  
(Signed) SPENSER ST. JOHN.

The Right Hon. Earl of Rosebery,  
&c. &c.  
Foreign Office.

Her Britannic Majesty's Consulate, Mexico,  
June 7, 1886.

SIR,  
WITH reference to the Marquis of Salisbury's Circular of the 6th October last, addressed to me while in charge of Her Majesty's legation in Mexico, I have the honour to enclose herewith a short report on the condition of trade in Mexico, containing answers to most of the questions propounded in the enclosure accompanying the Circular, and to express my regret that owing to my absence on leave, and the difficulty of obtaining statistics in Mexico, so long a time has been allowed to elapse before sending it in.

I have, &c.  
(Signed) LIONEL CARDEN.

Sir Spenser St. John, K.C.M.G.  
&c. &c. &c.  
Her Britannic Majesty's Legation.

## REPORT ON THE CONDITION OF TRADE IN MEXICO.

1. The chief articles of British trade with Mexico are cotton, linen, and woollen goods in the piece, and iron and steel wrought and unwrought, which in the past 20 years have together represented 75 per cent. of the total direct British trade.

In a secondary degree may be mentioned hardwares and machinery and millwork.

2. As no official statistics of the imports into Mexico have been published in the past 20 years with sufficient regularity to render them of any service for purposes of comparison, I have been compelled to rely entirely on the figures of the direct trade with Mexico published annually by the Board of Trade.

An examination of these returns, the details of which are herewith enclosed, shows that there has been an increase in the importation of British goods into Mexico in the past five years as compared with the preceding 15, both in quantity and value, in all the articles above-mentioned, except one.

(a.) In volume—

Cotton goods, an increase of 41 per cent.  
Linen goods, a decrease of 2 "  
Woollen goods, an increase of 159 "  
Iron and steel „ 483 "

(b.) In value—

Cotton goods, an increase of 5 "  
Linen goods, a decrease of 22 "  
Woollen goods, an increase of 90 "  
Iron and steel „ 339 "  
Hardwares „ 38 "  
Machinery and millwork, an increase of 179 "

3. Speaking generally, it may be said that the condition of trade and industry is far from being "depressed" in Mexico at the present time as compared with the past 20 years. The country, having enjoyed during the last eight or nine years a period of tranquillity which stands out in marked contrast to the revolutionary period which preceded and followed the establishment of the empire, is steadily progressing in the development of its internal resources, and its commerce with other nations is similarly on the increase.

The accompanying returns, which are almost the only ones which have been published at all systematically by the Mexican Government, will serve to show how great has been the progress in the past five years as compared with the preceding 15, the increase being—in customs revenue 75 per cent., in total revenue 83½ per cent., and in value of exports 32 per cent.

It must not be overlooked that as no returns of the value of the exports were published anterior to the year 1872, the comparison in this case has had to be made between the past five and the preceding eight years, which makes a very material difference in the per-centage of increase.

4, 5, 6 and 7. Although, as I have said in the preceding paragraph, trade and industry in Mexico cannot be considered to be at present depressed, as compared with the past 20 years, there have nevertheless been fluctuations in the past four years of such considerable extent as to call for some notice.

The interest in the affairs of Mexico, so suddenly aroused among the people of the United States in 1879 and 1880, had for its immediate result the construction (principally with foreign capital) of two large trunk railways and many small local ones (measuring in all nearly 5,000 kilometres), besides the undertaking of various other public works, and the establishment in the capital of two banks. The effect upon commerce of the sudden introduction of so much capital into the country was electrical. The favourable rates of exchange, the cheap discount on commercial paper (which owing to the competition of the new banks suddenly dropped from 10 or 11 to 6 per cent.), and the general stimulus to business throughout the country, all combined to induce an amount of overtrading from which commerce is only now beginning to recover. The extent to which this overtrading was carried may be very accurately estimated from the amount of capital introduced from abroad for the construction of the public works above referred to, all of which was brought into the country in the form of merchandise. It will be no exaggeration, therefore, to say that in the three and a half years from January 1880 to July 1883 there was an excess of imports over the normal importation of from eight to 10 millions sterling.

The necessity for working off the large stocks which thus remained on hand (for the consumption of goods, though certainly stimulated by the general activity, had not increased in anything like this proportion), will, I think, sufficiently account for the very sudden falling off in the imports which is so noticeable in the years 1884 and 1885, without looking for other or more remote causes.

After a commercial crisis extending over more than two years, and aggravated by the financial disorders of the government, by two years of exceptionally bad crops, and by the recent serious depreciation in the price of silver, it is satisfactory to be able to say that the tranquil condition of the country, and the improved facilities of communication, are being everywhere felt in the development of mining and agricultural industries, and there is every prospect that a regular and steady increase may be looked for in the near future in the import and export trade of Mexico.

9 and 10. As far as I have been able to ascertain there has been no material permanent change in the rates of wages in Mexico of late years.

When railway construction was at its height, wages, in the localities where work was being actively carried on, rose in many cases to double the normal rates, but have since subsided again. Similarly, where new mining regions have been opened up, especially in the northern part of the Republic, wages have increased, but I do not think there can be said to have been any general increase throughout the country.

11. Since the breaking off of diplomatic relations in 1867, the English commercial houses in Mexico, formerly so numerous and so respected, have been gradually withdrawn, so that at the present day the trade between the two countries is almost exclusively in the hands of Germans, whose interests are naturally more directed towards fomenting the trade of their own country, and introducing goods of German, in preference to those of English, manufacture. To regain the position formerly occupied by British commerce in this country would no doubt be a matter of great difficulty, although it can scarcely be said that any special impediments exist to prevent it; on the contrary, the high character for probity and honourable dealing gained by our countrymen in former times would ensure a friendly reception to any English firm proposing to establish itself here. It must not, however, be overlooked that in view of the heavy freights, the high duties (averaging over 100 per cent. on the value of the goods), and the long credits which must be given, only firms with large capital can expect to do a profitable business here.

The principal stumblingblock in the way of the establishment of new firms is the complex nature of the Customs regulations, which makes it very hard for a merchant, however honest his intentions, to steer clear of the innumerable fines leviable for the smallest infringement of their provisions. The old-established houses here have acquired by their long experience, and, in too many cases, by the unscrupulous nature of their relations with the Customs

employés, a comparative immunity from such difficulties, and have, on more than one occasion, employed their influence towards opposing any reform of a system which affords them protection against competition.

The measures which would most tend to promote the further extension of British trade are, in my opinion:—

(a.) The simplification of the Customs regulations, and the levying of fines only in those cases where the intention to defraud is clearly established.

The Government is at last becoming convinced that the stringent regulations at present in use are powerless to prevent fraud against the Customs, and only serve to drive away honest trade, and it is probable that ere long a more liberal system will be adopted.

(b.) The establishment of bonded warehouses in the capital.

The arguments to be adduced in favour of this system are so numerous and so well known that it is only necessary to add that they receive additional force in the present case; firstly, from the extremely high rates of duties leviable by the Mexican tariff (averaging over 100 per cent. "ad valorem"); secondly, from the high rate of commercial discounts; and lastly, from the scarcity of capital, which restricts the number of business houses, and consequently confines competition within very narrow limits.

(c.) The association of various firms with a joint agency in this country for the sale of their goods and the conducting of their business.

I have already alluded to the difficulties which firms with small capital would be liable to encounter in Mexico, but there are other considerations also which would seem to make the principle of co-operative societies specially suitable for this country.

In the first place it is not easy to find persons properly qualified to conduct business in Spanish-American countries. For this it is essential that, besides having a thorough knowledge of business and of the language of the country, the merchant should have considerable local experience, should be thoroughly versed in the intricacies of the tariff, and above all, should be possessed of great tact and temper. Without these qualities, which it is scarcely necessary to say are not commonly found united in one person, the work of building up a new business, though not impossible, would be much more difficult. I am therefore of opinion that to ensure a reasonable probability of success no commercial enterprise should be undertaken in Mexico without first securing the services of a manager of a very high order of capacity, the expense of which would be more adapted to the resources of a large company than of a private firm. Secondly, a merchant in Mexico, owing to the long credits he is obliged to give, has to combine the business of trader and banker. Were a trading company to be established with a special banking department, or in intimate connection with a bank already in the field, all sales could be effected on a strictly cash basis, and this without losing the custom of buyers who, though in every respect trustworthy, might not be able to pay in ready money. For such persons the banking department would readily discount their bills, while the trading department, by the rapidity with which its capital could be turned over, could afford to sell at prices defying competition. Thirdly, a large enterprise of this nature would be received with a consideration out of all relation to the amount of its capital.

The Government is so dependent for its revenue on the Customs receipts, that a large mercantile association can often obtain facilities in the introduction of its goods, in view of the magnitude of its operations, which a smaller firm might ask for in vain.

(d.) The establishment of an agency for advertising English goods.

The great facilities which buyers have for learning the prices and description of American goods, by means of elaborate priced catalogues, have done more to promote their sale here than either the cheapness or the excellence of the articles, and until English commercial men realize the fact that, in this country at least, they must look for customers instead of waiting till customers look for them, they must expect to see themselves outdone by the superior push and enterprise of the American trader.

12. I have already shown, in the answer to question 2, that both the quantity and value of the principal articles of British trade exported to Mexico have materially increased in the past five as compared with the preceding 15 years. It will, however, be seen by the accompanying table of the exports from the United States to Mexico that the American trade has increased in a far larger ratio, even in those departments in which it competes with our own; and in view of the strenuous efforts they are making to introduce their goods in all parts of the Republic, it is only too evident that the commercial supremacy the Americans have already wrested from our countrymen will, before long,

become so absolute, as practically to exclude a large proportion of British goods from this market.

It remains to be proved whether the British commercial world is content to submit quietly and without an effort to be driven from a market, which, though insignificant, comparatively speaking, to-day, is unquestionably destined ere long, by its geographical position, by the extent of its territory, and by the density of its population, to be one of the most important, if not the most important, of the Spanish-American Republics.

15. It is so universal a custom in Mexico for manufacturers to understate to the Government the amount of their production, that the official returns, which are based exclusively on their declarations, fall so very short of the mark as to be not only useless but misleading. There can, however, be no doubt that very great progress has been made in the past ten years in the cotton and woollen manufacturing industries (the only industries of any importance in the country), probably more so in the enlarging and improving of existing factories than in the establishment of new ones.

The only trustworthy statistics at my disposal which throw any light upon the subject are the returns of the exports of raw cotton (for manufacturing purposes) from the United States to Mexico, which are as follows :—

			Lbs.
1876	-	-	6,972,275
1877	-	-	3,969,812
1878	-	-	3,422,162
1879	-	-	9,898,129
1880	-	-	9,881,543
Average for 5 years			6,828,844
1881	-	-	13,386,186
1882	-	-	12,537,650
1883	-	-	20,577,771
1884	-	-	11,184,207
1885	-	-	5,877,000
Average for 5 years			12,712,563

The quality of goods produced now, especially in woollen cloth and casimir, and in cotton calico and printed fabrics, is very superior to what it was a few years ago, and much pains are being taken by manufacturers to bring them to greater perfection, so that they may be able to compete on a better footing with goods imported from abroad.

(a.) The only cause to which this progress is attributable is the maintenance of the present very high rate of Customs duties, and the excessive protection thereby afforded to manufacturers.

To give an idea of the rates of duties levied on cotton piece goods, I quote from a statement published in the Quarterly Report of the United States Bureau of Statistics for the quarter ended September 30, 1884 (page 182), in which are given "the export prices in New York of leading cotton fabrics, with a *pro forma* calculation of duties leviable on the same in Mexico, and the per-centage of such duties to the cost."

Although this calculation was based on the tariff which is now obsolete, yet the duties on the articles referred to have in scarcely any case been lowered in the new tariff.

No. 1. Standard sheeting, duty equals 121 per cent. ad val.

No. 2. Standard shirtings, duty equals 157 per cent. ad val.

No. 3. Bleached muslins, duty equals 138 per cent. ad val.

No. 4. Standard printed calico, duty equals 171 per cent. ad val.

No. 5. Standard gingham, duty equals 140 per cent. ad val.

(b.) The great majority of the factories throughout the country are owned by Mexicans; among those owned by foreigners the greatest number belong to Spaniards; only a very few are owned by Englishmen.

(c.) The majority of the existing factories have been established with native capital or with the capital of foreigners who have made their money in this country.

14. There has been no permanent increase in the taxation of local industries of late years by the Federal Government. Specific taxes have from time to time been imposed on the weight of the goods manufactured and on the number of spindles at work, but in almost every instance the owners have come to arrangements ("iguales") with the Government to pay each a fixed amount per annum.

To show that this has never pressed very heavily on the manufacturing industry, I may mention that the gross annual revenue received by the Federal Government from the direct taxes imposed on upwards of one hundred factories

throughout the country has never exceeded 200,000 dollars in any one year.

Taxation in Mexico, whether local or general, is on the whole very light, although in some cases, due either to the partiality or the ignorance of the fiscal authorities, it is made to press unduly on some individuals and industries. The aggregate Federal and State taxation, if we except the customs receipts, which may be set down at from 16 to 18 million dollars, does not exceed 22 million dollars, or little more than two dollars per inhabitant per annum.

Speaking roughly, it may be said that the commercial classes are the heaviest taxed, although isolated cases have occurred of promising agricultural industries having been almost entirely crushed out of existence by the ill-advised impositions of the State Governments. This, however, has never been the case with the manufacturing industries.

The only assistance afforded to local industry by the Government has been in the form of protection against competition from abroad by means of a high Customs tariff.

16. Two concessions have been granted by the Government in the past four years for the establishment of commercial exhibitions, but both have lapsed on account of the non-fulfilment of their conditions. There is nothing of the kind now in Mexico.

There are chambers of commerce in the towns of Mexico, Aguascalientes, Guadalajara, Guanajuato, Chihuahua, Zacatecas, Saltillo, Matamoros, Matehuala, Querétaro, Tuxpan, Veracruz, Mazatlan, Toluca, Lagos, Pachuca, Oaxaca, San Luis Potosi, Tampico, Puebla, Monterey, Tlaxiaco, Villa Lerdo, Leon, Flacotalpam, Merida, Durango, Colima, Tula, Victoria, and Acapulco—31 in all.

The chamber of commerce in the capital was established in 1874, but only began to assume importance in the year 1884, under the Presidency of Mr. Valentin Uthark, when a confederation was formed, under the name of the Mercantile Confederation of the Republic of all the Chambers of Commerce throughout the country.

The object of the confederation is in general to defend the interests of the commercial community, and in especial to make representations to Congress or to the Federal Government when any measure is taken prejudicial to their welfare; to decide by arbitration all disputes which may be submitted to them; and to endeavour by means of the press to give expression to the views of their constituents in commercial matters.

The funds of the chambers are derived from monthly subscriptions of one dollar paid by all the members.

Their influence in the capital is now beginning to be felt, and there is very little doubt that ere long no measure affecting commerce will be taken by the Government without their being first consulted.

17. In wholesale transactions the conditions of credit in Mexico are as follows :—for groceries and eatables (including liquors), and hardwares—six months: for dry goods of all kinds of foreign make—eight months: for home-made dry goods—four months: and for machinery—conventional.

According to the commercial code, merchants selling goods on credit are obliged to exact promissory notes from purchasers, under pain of forfeiting their right to enforce by legal procedure the payment of the amounts due to them. This measure was adopted in view of the very lax manner in which business used to be carried on; indeed, I am informed that so great is the objection shown even yet to give promissory notes that many merchants continue, in spite of this regulation, to give open credit to their old customers rather than run the risk of offending them. I may mention incidentally that commercial morality in Mexico is good, and that fraudulent bankruptcies are of very rare occurrence.

In the retail trade sales are made nominally for cash, but in practice one month's credit is given.

18. The following is a translation of the existing regulations with regard to trade marks, which form part of the commercial code :—

"Art. 1418. Every manufacturer has the right to place on his products, to distinguish them from others, a special mark, which may consist of his own name or that of his firm, the name of his establishment, of the city or place where the manufacture is conducted, or of initials, figures, letters, mottoes, designs, coverings, counter-marks, or packages.

"Art. 1419. The merchant possesses property in his marks, and no one else may use the same ones.

"Art. 1420. The marks must be placed actually on the products or merchandise, and in those cases where this is not possible, it will suffice that they be placed on the covering or package in such a way that the object covered cannot be extracted without tearing the covering on which the mark is.

"Art. 1421. No one may adopt a mark which has been already adopted by another.  
 "Art. 1422. To acquire the property of a mark, it must be first deposited in the Office of the Minister of Public Works; and this office will grant the property, provided that the same mark is not already in use by someone else, or that it be not so similar as to leave no doubt as to the intention to defraud the interests of others.  
 "Art. 1423. The falsification of marks, in so far as regards the mercantile part, gives rise to an action for damages, besides the penalties laid down in the Penal Code."

I am informed by the President of the Chamber of Commerce that the remedies which owners of trade marks are afforded under this law against the infringement of their rights are effective and easy of application.

LIONEL CARDEN.

Mexico, 7th June 1886.

Enclosure No. 1.

(a.) VOLUME.

EXPORTS OF BRITISH PRODUCE TO MEXICO.

Comparison of the Average of the last Five Years with the preceding Fifteen.

Articles.	Average 15 years.	Average 5 years.	Increase.
Cotton piece goods - -	Yards. 30,213,661	Yards. 42,073,157	Per cent. 41
Linen piece goods - -	3,274,003	3,211,976	-2
Woollen piece goods - -	769,731	1,995,113	159
Iron and steel - -	Tons. 6,329	Tons. 36,912	483

Enclosure No. 2.

(b.) VALUE.

EXPORTS OF BRITISH PRODUCE TO MEXICO.

Comparison of the Average of the last Five Years with the preceding Fifteen.

Articles.	Average 15 years.	Average 5 years.	Increase.
Cotton piece goods - -	£ 523,353	£ 551,743	Per cent. 5
Linen piece goods - -	106,502	83,019	-22
Woollen piece goods - -	44,703	85,186	90
Iron and steel - -	66,519	292,104	339
Hardware and cutlery - -	29,275	40,554	38
Machinery and millwork - -	45,074	123,977	170
Other articles - -	148,854	274,283	84
Totals - -	964,278	1,452,898	50

Enclosure No. 3.

TABLE showing PROGRESS of MEXICO.

Year.	Customs Revenue.	Gross Revenue.	Value of Exports.
	Dollars.	Dollars.	Dollars.
Average, 1863-79	9,839,889	15,799,456	29,430,273
Do. 1880-1	17,219,777	28,982,497	38,843,185

Enclosure No. 4.

VALUE of AMERICAN EXPORTS to MEXICO.  
 Comparison of the Average of the last Five Years with the preceding Fifteen.

Articles Exported.	Average 15 years.	Average 5 years.	Increase.
Cotton manufactures - -	Dollars. 549,585	Dollars. 912,112	Per cent. 66
Chemicals, drugs, &c. - -	108,612	234,288	126
Glass and glassware - -	30,020	100,916	236
Iron and steel - -	887,915	2,841,070	219
Explosives - -	89,392	306,314	242
Provisions - -	175,671	279,583	59
Leather - -	91,942	121,042	31
Wood - -	197,324	927,844	370
Quicksilver - -	321,587	307,323	-4
Other articles - -	2,135,185	5,040,263	136
Totals - -	4,582,233	11,070,755	141

WESTERN PACIFIC ISLANDS.

Government House, Suva, Fiji,  
 27th July 1886.

My Lord,  
 REFERRING to my Despatch of the 21st January, 1886, respecting the condition of British trade in the Western Pacific, I have the honour to enclose copies of reports which I have received from Mr. Consul Powell, of Samoa, and from Mr. Vice Consul Symonds, of Tonga, in reply to questions set forth by the Royal Commission appointed to inquire into the Depression of Trade.

I have, &c.

(Signed) JOHN B. THURSTON.

The Right Hon. the Earl of Rosebery,  
 &c. &c. &c.

Secretary of State for Foreign Affairs.

SAMOA.

H.B.M. Consulate, Samoa,  
 June 15th, 1886.

SIR,  
 IN reply to your Excellency's Despatch of the 11th of February last, I have the honour to forward you the enclosed report, and much regret that, owing to pressure of work at this office lately, I have been unable to furnish it before.

I find that many of the questions do not apply to the present condition of Samoa.

I have, &c.

(Signed) WILFRED POWELL.  
 H.B.M. Consul.

To the Consul General and  
 Administrator of Govern-  
 ment, Fiji.

ANSWERS.

1. The chief branches of British trade in Samoa are Manchester and Birmingham goods, although but a small quantity are imported direct from England, but are transhipped from the colonies of New South Wales and New Zealand. These consist chiefly of white cotton cloth, prints, handkerchiefs, clothing, and other drapery, knives, axes, fowling pieces, and hardware generally. Soap (exclusively from Colonies) tinned meats and fish of all descriptions, canned fruits and vegetables, biscuit [(in small quantities) (most of the bread stuff coming from San Francisco)] sugar, salt, pepper, tea, coffee, and spices, (four latter in small quantities).

2. From 1870 to 1880 trade here was brisker than it has been since 1880, principally in consequence of copra (the

leading and far the largest export) fetching an higher price in Europe than it has done since. Notwithstanding the low price of copra both volume and value of imports have very much increased especially during the last two years.

## BRITISH.

Year.	Value, Imports.	Value, Exports.
	£	£
1883 - -	9,103	1,180
1884 - -	10,982	2,005
1885 - -	23,883*	8,767
1886 six months -	15,129	2,721

The exports are greatly dependent on the season and political state of the islands.

3. Business may be said to be dull at the present time on account of the low price of copra in Europe, and the danger of an outbreak of civil war has for some time past checked native industry, yet trade in Samoa can hardly be called depressed.

4. The dulness of trade referred to began in 1880 and 1881.

5. Irregularity in value is entirely owing to the fact that copra is nearly the sole export, and when natives fail to make it (owing to war or disturbance of any kind) the values of exports fall off correspondingly. The formation of more plantations is much needed. A line of steamers to take fruit (of which immense quantities spoil every year for want of carriage) to the Colonies would greatly assist in increasing value of exports.

I believe there is a great future for these islands when properly governed.

6. The dulness affects all trades, I should perhaps except carpenters and blacksmiths.

7. Traders are affected first, next the shopkeepers, and then artisans.

8. (a.) The demand for capital is greater now than ever before.

(b.) The supply of capital has very much increased.

(c.) The return on capital depends on the output of copra and the means of reaching a market; for the other produce (fruit &c.) it is decidedly on the increase.

9. There are few skilled artisans here except carpenters; at present wages are a little in advance of the average of the last 20 years, but there is but little employment.

10. Carpenters 12s. to 20s., sailmakers 12s. to 14s., per day of eight to ten hours without board; ordinary seamen, natives, 3l. a month; able bodied seamen, whitemen, 4l. a month; native plantation labourers from 1l. to 2l. per month with board; blacksmiths 14s. per diem without board.

11. The debased coin introduced by the German firms, confining all exchange to their hands, as from them only can bills of exchange be obtained.

British capitalists should be encouraged to invest their money, both as traders and planters, especially the latter.

12. German and Californian goods are in excess of British because the freight from England and Colonies is too high.

13. There are no manufactories here other than native tobacco, this has undoubtedly taken the place of American tobacco with the natives.

14. No. The only taxation here is that in the town and district of Apia by the municipal government established in 1879.

15. None whatever.

16. There are none, but a chamber of commerce has been proposed.

17. Goods here are generally sold both wholesale and retail to be paid for at the expiration of the month then running. The rate of interest on money lent on mortgage is from six to ten per centum per annum.

The premium on bills of exchange on Europe or the Colonies (in exchange for Bolivian or Chilian silver) at 60 days sight to 90 days sight, ranges from 5 to 15 per cent., according to demand. These high rates are caused by the absence of any banking establishment.

18. There are no trade mark regulations in Samoa.

(Signed) WILFRED POWELL,  
H.B.M. Consul.

June 15th, 1886.

\* 3,850l. worth of goods landed but not reported should be added to this amount.

## TONGA.

British Consulate, Tonga,  
29th April, 1886.

Sir,

I HAVE the honour to acknowledge the receipt of your Excellency's Despatch of the 11th February enclosing a list of questions relative to the present state of British trade in this district.

I have answered the questions to the best of my ability, and I enclose the answers herewith.

I have, &c.

(Signed) HENRY F. SYMONDS,  
British Vice Consul.

His Excellency the Hon. J. B. Thurston, C.M.G.,  
Acting Consul General.  
&c. &c. &c.

## ANSWERS.

1. The chief British imports to Tonga are soft goods, timber, breadstuffs, hardware, canned fruits and meats and dairy produce; the exports are cobra fungus, wool, coffee, fruit and cotton.

2. In 1880 the value of British imports was about 25,000l., and about that amount had been annually imported during the ten previous years, since that date the import trade has steadily increased until, in 1884, when about 53,000l. worth of British and Colonial products were landed in Tonga. Before 1880 the British exports were but few, not, I believe, exceeding in value the sum of 2,000l. per annum; since that date they have increased, and in 1884 about 27,000l. worth of produce was exported to British possessions.

3. (a. and b.) As compared with the last 20 years I do not consider that the state of trade generally in Tonga can be described as "depressed."

8. As compared with the last 20 years,

(a.) The demand for capital is above the average.

(b.) The supply of capital is above the average.

(c.) The return on capital is below the average.

9. The rate of wages in Tonga for skilled and unskilled labour has not changed during the last 20 years.

10. (a.) The rates of wages given in Tonga are:—

European mechanics, 14s. to 16s. a day.

Native mechanics, 4s. to 6s. a day.

Native labourers, 2s. to 4s. a day.

(b.) All classes of labourers and mechanics usually work nine hours a day.

11. The chief impediment to the extension of trade between Great Britain and Tonga is the Chilian coinage that is in circulation, and which has been accepted by the Government as currency at 4s. per dollar, whereas the actual value is 3s. 2d. per dollar. As the largest share of the export trade is in the hands of German merchants, and as British merchants are the chief importers, the latter have either to export Chilian money, or to pay any rate that may be demanded for bills of exchange; this rate varies from 5% to 15%. The introduction of a bank would serve to facilitate exchange, or if the Government of the country could see its way clear to refuse to recognise Chilian coin as legal tender (as was the case before 1880,) the disadvantage to British merchants would be diminished to a great degree, more especially as they are now, each year, increasing their export trade.

12. I am not aware of any transfer having taken place from Great Britain to other countries of Tongan trade, unless it be in the case of the timber trade. All the timber used in this district was formerly imported from the Colonies, now about half the amount arrives from America, and this both stands the climate better and is cheaper than the Colonial article.

13. No.

14. No.

15. The trade and industry of this district receive no State aid.

16. No.

17. Ten per cent. interest is usually charged on all accounts that are not paid within three months.

18. No regulations exist with regard to trade marks.

(Signed) HENRY F. SYMONDS,  
British Vice Consul.

Tonga,  
29th April, 1886.

## APPENDIX E.

## COMMERCIAL GEOGRAPHY.

I.—LETTER FROM COMMANDER V. LOVETT  
CAMERON, R.N.

Kwinhata, Epsom Road, Croydon,  
March 8, 1886.

MY LORD,

WITH reference to my note to you and our subsequent conversation, I would make my remarks and suggestions under the following headings :—

- 1st. Commercial geography as a whole.
- 2nd. My journey across Africa and what might be done in that continent for the advancement of our trade.
- 3rd. On the Congo Free State, the Berlin Conference, and the German annexations in Africa.
- 4th. On my travels in Syria and Mesopotamia, and the commercial aspects of those countries.
- 5th. On the Soudan question considered from a commercial point of view.
- 6th. On emigration geographically considered.
- 7th. General remarks.
- 8th. Suggestions as to what might be done by Government and what by private enterprise.

*Commercial Geography.*

Commercial geography, as a separate branch of geographical study, has never in this country received the attention that it merits, and our commerce has arrived at its present pitch of development rather in spite of our lack of knowledge than on account of any superior acquaintance with the wants and capabilities of those countries with which it has been conducted.

At one time, and, indeed, to within a comparatively recent date, we were, owing to the inventions of our countrymen and the great advantages we possessed in the comparatively early development of our resources in coal and iron, the one great manufacturing country; and other nations drew from us the major portion of their supplies of manufactured cotton and woollen goods, of machinery, iron and steel; but this has now all changed, and we find nations which were once large consumers of our manufactures not only able to supply their own wants and to send the surplus of their products to neutral markets of which we had once the practical monopoly, but also to compete successfully with us in the supply of our home necessities.

We, unfortunately, as a nation, have been prone to consider that being once in the possession of a market we should therefore always remain masters of it and have done but little to consider the wants and habits of our customers; and the small amount that has been done has been the result of individual and disconnected efforts and not the outcome of proper and scientific investigation conducted on broad and farseeing principles.

The heads under which commercial geography should be studied are as follows :—

- a. The consideration of the markets of the world, both "actual and potential"; what manufactures which we produce may be profitably disposed of in them and what in return we may draw from them in re-payment which we can put to a profitable use.
- b. The fluctuations of trade with these markets and their causes.
- c. The various trade routes, ancient and modern, and the causes which have led to their adoption, abandonment, and in certain cases to their being again utilised.
- d. Tariffs, customs, and local taxation as bearing on the ultimate cost of the manufactured article to the consumer.
- e. The causes which have led to particular trades or manufactures being carried on in certain localities; and why in some instances these trades and manufactures have deserted these localities to become permanently or for a time established in others.
- f. The study of commercial hygiene.

- g. By the establishment of properly arranged museums of both raw and manufactured articles, to enable the merchant and manufacturer to know to what places it will be most profitable to export British goods and whence to draw at least cost raw materials to feed our mills and workshops.
- h. A study of the various port regulations in different parts of the world so that information should be given to masters of merchant-men which will prevent their running the risk of infringing them through ignorance.
- i. The consideration of great engineering works of national or world-wide importance, such as the Suez and Panama canals, the tunnels through the Alps, the proximate construction of railways in China, the Severn and Mersey tunnels, the Tay and Forth bridges, and, perhaps, the Channel tunnel.
- k. The various modes of transporting goods and their comparative cost, and how that cost can be reduced by improvements in mechanics.

It may be said, and very properly, that many of these subjects are now studied by individuals and that some of them are in charge of various Government departments, but I would urge that at present such knowledge as is collected is not generally available to the trading community, some of it is concealed owing to the short sighted jealousy and selfishness of those possessing it; and other portions are not readily accessible to those who desire to learn.

Much that is mentioned above should, as in foreign countries and especially in Germany, be done by private—i.e., non-government—associations; but it is at the same time most requisite that there should be a geographical department at the Board of Trade or Foreign Office, as there is now at the India Office, such a department being as essential to the commerce of the country as the Hydrographical Department of the Admiralty is to the safe navigation of our ships.

In Germany there are no less than fifty-one publications devoted to the cause of commercial geography, and there are many societies specially founded for its study. These societies have agents in various parts of the world who conduct inquiries for them. These agents being generally members of the society supply the information required in return for benefits they receive. These societies, besides the general information they give to their members in their publications, also make special inquiries for members on payment of the actual cost, and I have been told by members that in this way they have for about 10% received useful information, for which if they had conducted the inquiries independently they would have had to pay 500% to 600%, even if they had been able to obtain it, which was more than doubtful. Besides this, they have also established museums, such as I mentioned under § g, and of these some have been formed by private enterprise and one at least by the Government. By these museums, which have been exhibited at various commercial and manufacturing centres, information has been afforded not only as to what goods are required in various markets, but also, a most important point, the precise method of packing so as to suit the idiosyncrasies of the buyers.

In one instance a German house by imitating the colour of the paper, the manner of folding, and the string employed in the packing of a certain class of goods by an English house, now receives more money for six yards of material than they did before for seven, and is now underselling its English competitor in a market in which the latter thought it was secure from rivals. The German article being, as I believe, of an inferior quality and produced at a less cost than the English, the English house cannot compete except by selling at a loss or lowering the quality of its goods.

Instances of the same kind may be multiplied almost indefinitely, and as the German Government instructs its consuls to collect information of this kind and in various other ways assists the commercial geographical societies,



the German merchant, whether in China, Africa, or elsewhere, has a great advantage in competing with his British rivals.

In France, as in other countries, there are also various commercial geographical societies which render a similar service to the French merchant and manufacturer, but in Germany the system is most developed and receives most assistance from the Government.

In Austria a special outcome of this movement in favour of the study of commercial geography deserves to be noted, and that is the despatch on an educational tour of the sons of merchants, destined some day to be merchants themselves, to study in various parts of the world the course of trade and the needs and productions of such places as they may visit.

At Moscow the society of merchants spend vast sums in the furtherance of commercial exploration, and in a single year, I have been informed, have devoted 80,000*l.* to this object, besides being most liberally assisted by their Government.

Under the question of trade routes would properly come the vexed one of the Suez Canal, which at one time, opposed by British statesmen and engineers, has now by many come to be considered as almost absolutely essential to our commerce. The Suez Canal has been of some use to this country, but it is by no means the unmixed benefit which it is the fashion to think it.

By means of the Suez Canal France, Italy, Austria, and Russia have been able to compete with us on favourable terms in the trade of the Eastern world, and large quantities of goods which would, if the Suez Canal were not in existence, pass through our hands as middlemen, now never come near England at all, and this tendency has been increased by the construction of the Mont Cenis and St. Gothard Tunnels. We lose on this in two ways, for we lose the profits we should have gained as middlemen, and also the freights which would have been earned by British ships, but which are now lost to us owing to the goods being carried in foreign bottoms.

It may be argued that the bulk of England's trade with the East has increased, but the increase has not been in proportion to the general increase in trade between Europe and the East, and the profit on the trade, if it has not decreased, has certainly not increased in proportion to the bulk of trade or the increase of capital employed.

Another great evil caused to this country by the Suez Canal has been the construction of a class of steamers specially adapted to it, and which carry the great bulk of the goods coming to us through the canal. These steamers would be useless by the Cape route if the canal were blocked, and in time of war would, between England and Port Said, require the constant services of at least 30 men-of-war (1st-class cruisers) for their protection, and even then would not be safe from the attacks of torpedo boats running out from the ports of Spain, Algiers, and Sicily.

I cite this question of the Suez Canal, as it is a typical one, and often argued about by persons having but a superficial acquaintance with the merits of the case.

I do not know that I need give more illustrations of commercial geography, but if I were not tied by my respect for individuals I could mention ludicrous instances of the ignorance of persons in business of geography, even when it might have been thought that its knowledge was vital to their interests.

In pure geography the Royal Geographical Society does all that is actually necessary, but there is no use in providing water if the horse will not drink. For some time they gave medals to schools to foster and encourage the proper teaching of geography, which has in a measure failed of its object, and lately they have been inquiring into the various methods in which geographical teaching is conducted, and have opened an exhibition of maps, globes, &c. for the benefit of teachers; but it still remains to be seen if this plan will be more successful in its operation than the giving of medals.

As to geographical teaching in this country, that in the rate-aided schools leaves little to be desired, considering the classes for whom they are intended, though there might be some alteration in the method; but in the middle and upper class schools great improvement is needed, and there should be special facilities for the teaching of practical and economic geography, and I think that in a country like England, whose interests stretch into all portions of the globe, it would not be too much to ask that there should be chairs of geography in her universities.

*On my Journey across Africa and the future of Trade in that Continent.*

On this subject I would refer you to the closing chapters of my book "Across Africa," of which I have the honour

of forwarding your Lordship a copy herewith, and also to some articles I wrote in the "Manchester Courier," which I will forward as soon as I have obtained copies.

The great drawback to the development of trade in Africa is the lack of transport, which not only causes an enormous amount of slave hunting and its concomitant horrors, but also renders it impossible for any but the most valuable and least bulky goods, such as ivory, ostrich feathers, and india-rubber to be exported with any hope of profit.

There are signs that in various directions people are waking up to this want. The French have commenced a railway in Senegal having Timbuktu for its objective point, and had, if they have not now, ambitious ideas of a Trans-Saharan railway to the same place in prosecuting the surveys for which Colonel Flatters and his expedition perished. The object for which the Senegal railway is being constructed is to enable the merchant of St. Louis and Goru to some day compete successfully with us for the trade of the Upper Niger.

The Portuguese have designed a railway from Loanda to Embaca, the concession for which has, I hear, just been granted to a Lisbon syndicate, who hope to commence work shortly, and this line should open up at no distant date a most remunerative trade.

In the Portuguese possessions on the east coast the Delagoa Bay Railway is now being promoted by well-known Englishmen, who have received most favourable terms from the authorities at Lisbon. Some of our South African merchants, and especially those interested in the Natal railways, are hostile to this undertaking on the ground that it is in Portuguese territory; but the possession of a commodious and safe harbour at its seaward end cannot fail to secure for it the future trade of the Transvaal and the productive regions north of the Limpopo.

Portugal is also doing much in exploration, and it would be well to consider if we could induce her to make such alterations in the tariffs and municipal laws of her African possessions as might induce Englishmen to invest their capital there, and provide sorely needed money for public works and improvements, the extension of plantations, and other purposes which would yield a remunerative return.

In our West Coast colonies there has been often an unwise economy which has starved and neglected public works, and there is often also a lack of encouragement on the part of Government officials towards private efforts for their improvement.

Both in our colonies and in Liberia, if there were systematic cultivation there would be an enormous increase both in their exports and imports; but, unfortunately, the "civilised" African has not yet learnt the value of agricultural pursuits, and in consequence the whole of our West Coast colonies and Liberia are overrun by small traders whose methods of trade are, to say the least, peculiar.

The French settlement at Assini and other small settlements close to our possessions are nominally free trade, and are used as places whence goods can be smuggled so as to evade the duties which we are compelled to levy for purposes of revenue.

In the Gold Coast colony the presence of gold is by no means an unmixed benefit for the natives, finding that a short spell of lucky work will provide them in necessities and luxuries for a lengthened period have always neglected to collect the valuable vegetable products of their country, even to the limited extent that is done in other parts of Africa.

The gold mines which have been started and worked by European companies, though there is abundance of gold, have not been generally successful; indeed, ill-success has been the rule, but the causes are not far to seek. Much of the speculation fell into the hands of needy men who sought to grow rich, not by the working of the mines, but by their sale. There has been a general and lamentable want of knowledge and other necessary qualifications among those who have had charge of the work upon the spot and the labour obtainable has been insufficient, and when considered in reference to its efficiency and reliability excessively costly. The cost of transport of machinery and stores, there being no roads, has been enormous, and the Government, as I think, unwisely levied duties on articles intended for the development of the mines, and in the case of the powder required in mining this duty has been excessive. There is rightly enough a very heavy duty levied on the powder intended for use in muskets, but the compressed powder used in mining operations is unavailable for other purposes, and if taxed at all should have been liable only to a low special rate.

For more detailed information as to these mines I would refer your Lordship to the second volume of "To the Gold

Coast for Gold,"\* by Captain (now Sir Richard) Burton and myself, although I am sorry to say our golden anticipations have not been realised.

The great needs of Africa are transport and labour; the first of these may to some extent be supplied by the utilisation of her rivers and lakes, but they require to be supplemented by the cheapest possible system of steam tramways. The labour question I hope some day may be met by the immigration of Chinese, who will find vast tracts where they can exercise their patient industry without interfering with the rights of the natives.

The general geography of the greater portion of the interior of Africa is now well known, but we should turn our attention by means of properly qualified explorers to find out the products of the various countries which may be of commercial value and also devise means by which they may be rendered available.

*On the Congo Free State and German annexations in Africa.*

I enclose herewith a copy of a lecture given by me on the Congo Free State and the Berlin Conference which deals with most of the questions to be considered in connexion with the Congo State.

The Congo State Railway now being promoted by Messrs. Stanley, Hutton, and Mackinnon is absolutely necessary if the Congo Free State is to prove a success. Its construction would at once open a large amount of navigable water, including the new affluent discovered by Mr. Grenfell of the Baptist Missionary Society, which most probably will afford easy access to within a short distance of the navigable portion of the Bahr el Arab and Bahr el Ghazal.

The statements of Mr. Stanley as to there being 40,000,000 of inhabitants in the Congo basin and the quantity of cloth that they may be expected to consume require to be received with caution, but that as the country is opened up and the people by degrees civilised there is no doubt that a very large and increasing trade will be formed on a stable basis.

One of the important questions which have to be considered with regard to the future trade of the Congo is the extension of Arab influence along the course of the river. From my knowledge of the chief of this movement, Tippu-Tippo (Hamed ibn Hamed), I should say that it would not be difficult to enlist him on the side of law and order, and induce him to abandon slave for legitimate trade; and it is most essential that this should be done, as if conflicts arise between him and his followers and the agents of the Free State, the whole movement for the improvement of Africa will be thrown back for years, and it is by no means improbable that the Arabs from Zanzibar may soon join hands with their co-religionists of the Soudan, and the fighting and desolation now prevailing in the Nile basin be extended into that of the Congo. All the treaties under which the stations of the free state have been acquired have now been approved of, and by the voice of Europe been declared to be binding in international law, but it is a very open question whether the native chiefs knew what they were parting with for a few fathoms of cloth or gallons of rum, and, even if they did, if they had the right to conclude these treaties. In such parts of Africa, if before this new departure took place, lands have been obtained from natives it has been almost, if not quite, universally the case that the consent of either the elders of the tribe, the members of the chief's family, or his prospective heirs has had to be obtained in order to render the agreements valid. Much also of the territory which has by the Berlin Conference been decided to belong to the Congo Free State has never as yet been visited by their agents, and in the case of Urua, of which I know more than any other civilised man, I feel confident that though the chief may permit the establishment of permanent trading stations he and his successors will not, unless there is a great modification of their ideas and customs, cede one inch of their sovereign rights to any strangers. From rebels or pretenders to the chieftainship agreements may be obtained on the condition of overthrowing the true chief, but these necessarily will lead to wars and conflicts.

In Katanga also where the Mnyamwesi Mshiri and his son have established what may be properly called a military dominion and which is also included within the limits of the Congo Free State, its authority will certainly not be established without fighting.

The International Law propounded (and adopted at Berlin) by Sir James Travers Twiss and Professor Arntz has startled a good many, and we must remember in this case we have only heard counsel on one side and that if

equally eminent and learned international jurists had been briefed on the other side we most probably would have had it contended that the precedents quoted did not apply and a very different aspect thrown upon the validity of treaties concluded by private individuals without any authority or commission from sovereign states.

The Germans have not been slow to act upon the International Law propounded at Berlin, and in the numerous and extensive annexations which they have made in Africa have fully availed themselves of the latitude and liberty, I had almost said license, which it permits. That the districts on the inland side of the dominions of our ally H. H. Seyid Burghash, Sultan of Zanzibar, could have been secured to the Germans who profess to have concluded treaties with the native chiefs in the time and manner that it is reported to have been done, is in my opinion a moral and physical impossibility, and it is perfectly clear that the rights of both the Sultan of Zanzibar and of his subjects have been seriously interfered with.

An important matter with regard to these German annexations has been pointed out, viz., that although some of them are within the free trade area of the Berlin Conference, the right of free residence has not been guaranteed (or rather has expressly been omitted) in them as in the Congo Free State and no free trade regulations can avail anything if the governing power can exclude a merchant or his agent from residence; indeed it can be made a most effective means of boycotting foreign competition.

Outside the free trade area we shall have no doubt to contend with protective tariffs, and as much of the trade is in the hands of either British subjects or of persons under English protection, they will find their profits diminished and their liberty of action restrained.

As for the German annexations on the West Coast I would refer your Lordship to the reports of Mr. Rogozinski, which will give a clear idea of the manner in which they were carried out at Camerões and its neighbourhood. Further west the establishment of settlements under the German flag seem to have been only attempted in order to evade custom dues levied by our colonies.

That all the new German colonies will be successful I do not think any one believes, but there can be no doubt that they will, as they are intended to do, foster German commerce at the expense of British and very probably, when the course of trade is well established, many of them will be practically abandoned.

With regard to the Congo Free State, I may remark that among the provisions with regard to it was the establishment of an international commission of control with very important powers, which was to commence its duties as soon as five delegates should have been appointed, but notwithstanding the time that has elapsed since the conference, no British delegate has been appointed, although there have been difficulties between British traders and the Government of the State, and that active measures are being taken to promote the Congo State Railway which should be subject to its supervision.

*On my Travels in Syria and Mesopotamia and the commercial aspect of those Countries.*

On this subject I would refer your Lordship to "Our Future Highway," written by me in 1879, and published by Macmillan & Co., of which I regret that I have not a copy to forward for your acceptance, and also to the various consular reports.

My journey was undertaken at my own expense in order to study the question of the Indo-Mediterranean railway, and on my return I met with such support, that if the Sultan had not refused a firman on any terms a large portion of that railway would have been in existence.

The great need of all the countries visited by me, was proper means of transport, and I found that from the Hauran, and from other places as well, if the ancient irrigation works were restored and railways made to transport their products, wheat could have been landed in England at a profit from 20 to 22 shillings per quarter.

I know that this would be poor comfort to the English farmer, but there are enormous tracts which might be made most productive, and if proper legislation and security were provided, would soon become the home of prosperous people with whom a most profitable trade could be carried on.

Wherever the Circassians have been located they have been a curse to the neighbourhood, and in one case which came under my own notice at Mombadj, I felt obliged to bring the case of the Arabs, whom they were robbing and oppressing, under the notice of Her Majesty's consul at Aleppo.

\* Published by Chatto and Windus in 1883.

At Ras el Aden where a number of Circassians were settled after the Crimean war, they had done nothing towards developing the country and instead of acting as a buffer between the nomad Arabs and settled inhabitants as was intended, they have preyed upon both.

If the Turkish Government could only be induced to afford security for capital and to give permission for railways to be built, we should soon find her vast mineral and agricultural resources developed, and with better communications there would also soon be a better administration of justice.

I have seen camels loaded with American petroleum passing the springs whence was drawn the supply that lighted Nineveh, Biro, Nimroud, and Babylon, and the bitumen which was used instead of mortar in the construction of those mighty cities. (Gen. XI. 3. "And they had brick for stone and slime for mortar." This slime was bitumen.) Now the springs are used as baths by the inhabitants of Mosul and the naphtha is sometimes set on fire by the Arabs to amuse the passing traveller.

Coal used to be floated down the Tigris to supply the steamers plying on that river between Baghdad and Busrah, but the extortion of local officials has so raised the cost, that it is now supplemented by coal from England. I need not here dwell on the advantages that would accrue to England if the Mediterranean and Persian Gulf were linked together by a railway, but there is no country in the world where railway construction would prove of more moral and material advantage and more remunerative to the investor than the Asiatic dominions of the Sultan. The population there now is in a great measure centred in cities where the majority of the people live in poverty and squalor instead of being spread abroad, and as agriculturists gaining an abundant livelihood and also enriching others, and it would be very easy to establish them along the lines of railway.

*On the Soudan question considered from a commercial point of view.*

Of the causes which have led to the present disastrous and unfortunate condition of affairs in the valley of the Nile I need not speak, but I find from the best informed of the merchants who export Manchester goods to Egypt that about 2,000,000*l.* worth per annum went to the Soudan. As much of this was bought by Arabs in Cairo no account can be found of it as going to the Soudan in custom house or consular reports apart from the general returns from Egypt, and as the consumption has much increased in Egypt proper these general returns are no index of the loss that has occurred.

As to exports, I am told that senna has almost, if not quite, disappeared from the market, and gum arabic has quadrupled if not quintupled in price. Even in the best days of the Soudan trade the cost of transport was so great that many articles which would be of value in this country could not be exported, and this caused a double loss, viz., the profit on English goods which would have been required to pay for these exports and also the profit on the exports themselves.

The Soudan used to return a surplus on its expenditure, notwithstanding the prevalence of corruption and the barbarous manner in which the taxation was levied, and the great slave dealers like Abu Savod and Zobeir used to pay large amounts to high Egyptian officials for their support and countenance.

The natural outlet for the trade and commerce, not only for what was considered the Egyptian Soudan, but also for the Tchad basin and much of equatorial Africa is Souakin, and if a railway were constructed between that place and Berber or Khartoum, all this trade would pass by it. At present (or rather when the route was open) it costs 10*d.* a pound (85*l.* a ton) to carry goods between the two places. 2,000,000*l.* worth Manchester goods weighs 20,000 tons and the exports must have been as heavy; if, therefore, the old trade of the Soudan passed over such a railway which might (on a narrow gauge) be built for 1,000,000*l.*, we could if we charged 2*l.* 10*s.* a ton obtain gross receipts of 100,000*l.* a year, and allowing 50 per cent. for working expenses pay 5 per cent. interest on the capital necessary without allowing anything for increase of traffic or for the passenger (pilgrim) trade.

Until some settlement is arrived at it is of course useless to think of this railway, but I feel perfectly sure that both Osman Digna and the Caliph Abdullah, who heads the movement in Dongola, would listen to reason and that it would not be difficult to find out from them on what terms they would treat.

I am so assured of the possibility and safety of doing this that if I had the necessary funds, which would be very small, and the permission of Her Majesty's Govern-

ment to do so, I would start to-morrow for Osman Digna's camp and in a very short time return with a summary of the bases on which he would treat.

Once peace is restored the rest is easy, and we could besides constructing the railway and restoring trade in a very short time bring large tracts of fertile land under cultivation.

*Emigration commercially considered.*

The great principle on which emigration ought to be conducted is to remove the surplus, and locally useless, population from the place where they are, and plant them where their labour has a value.

The slave trade between Africa and America in a great measure fulfilled these conditions and to it the development of the Southern States and West India Islands was mainly due.

In a similar manner the Indian and Chinese coolie trade has developed Mauritius and the Guano Islands.

We have now a large surplus population for whom it is difficult to find food, let alone profitable employment in England, and therefore it is both our interest and our duty to remove them to places where they earn their own livelihood, or if we do not actually remove the unemployed themselves to remove such a portion of the employed that their work may fall to those in want of it.

In planting a new settlement or colony care should be taken as far as possible to select localities climatically suited to the colonists, and to see that there are a proper proportion of different trades and callings among them.

I would suggest that each poor law area in England should now be permitted either alone or in conjunction with others to establish new settlements in such parts of the colonies as may best be adapted to their redundant population.

If we take it, for example, that there are 1,000 people supported by the rates whom, excluding old and infirm, it is considered necessary to send away, we should find that 300 of these would be able-bodied men fit to commence the work of clearing, hut-building, and generally preparing the new settlement for ultimate habitation by the whole number.

The rate-paying area supporting these people should be permitted to raise money for the purpose of founding the settlement and sending the people out in such parties and divisions as may be advisable. These people should be paid for their labour in passages, land, and provisions, and after a certain time the new township or settlement should be charged with a rate to pay off the loan and interest guaranteed on the English rates.

Portions of the land in the new settlement might also be retained to be sold when it increases in value for the same purpose, and to reduce the poor rate in the English area founding the settlement. Persons of education would be required for magistrates, clergy, doctors, and teachers in the new settlement, and could also be given land for their services, and, perhaps, be bound by certain conditions as to the improvement of this land.

In this manner we would not only reduce the number of people to be supported by the English rates, but with proper management a considerable sum might be gained towards the support of those unfit for emigration, and new markets could be opened for the sale of English manufactures.

Of course the above is the merest sketch and idea, but upon such lines rate-aided emigration might be established without any severance of family ties.

Another kind of emigration or migration in order to provide labour where it is scanty and by that means increase their production and the power of the migrants to consume our manufactures would be, for instance, the encouragement of the surplus population of China to settle in the sparsely populated and fertile regions of Africa which, under present conditions are unfitted for European emigration, and this would afford a large and proper field for the employment of capital.

*General Remarks.*

In the whole of these questions knowledge of commercial geography is a most important factor, and on its knowledge their success would, in a great measure, depend. In other parts of the globe, as in Burmah and the South Seas, the extension of our commerce and its maintenance upon a sound and remunerative basis depends greatly upon the knowledge of commercial geography with which it is conducted and that knowledge should prevent, what too often happens, cargoes of goods being sent to places and peoples for which they are totally unfitted.

Although, perhaps, it may not come properly within the limits of this letter, I think I may be permitted to touch upon the question of the employment of foreign seamen in our ships. I think that it is a most suicidal policy, and should in every possible manner be discouraged; but I would at the same time, as well as protecting the seaman against his master, protect the employer against the seaman. Much of the disfavour with which British seamen are regarded is due to the fact that until after a ship gets to sea there is no means for a commander of a merchant ship knowing whether his crew are what they represent themselves to be. There should, to obviate this, be a proper registration of seamen's certificates, and the men should be divided into classes according to their qualifications, and at every large port there should be competent officers to decide whether a man's qualifications are what he professes them to be, this would be only going a step farther than is done now in insisting that merchant officers should possess Board of Trade certificates.

#### Suggestions.

Much of what has been recommended above can only be carried out by private association and co-operation, but it would be a very proper thing for Government to grant a subsidy to any association properly formed and constituted for their advancement and furtherance.

Government also, as I have said above, should have a Commercial Geographical Department at the Board of Trade which should perform analogous duties to those of the Intelligence Department of the War Office.

Our consuls should also be instructed to study more closely than they do now the course of trade at the places at which they are stationed, and in some instances it would be well to remind them that our consular service is not only intended for political purposes, but also for the protection and extension of British commerce.

Many of the consular reports on trade are now most valuable and exhaustive, but they should be made in a regular form so that they would be more easy to consult, and the information contained in them should be tabulated and digested by the Commercial Geographical Department, so that any information that may be required would be at once available, instead of, as is now too often the case, entombed in the sarcophagus of a blue book.

I trust that these remarks which I have ventured to make may be of use to your Lordship in connexion with your inquiry into the causes of depression in trade, and will be happy to give any evidence before you which I may be able to furnish.

I have, &c.

(Signed) V. LOVETT CAMERON, C.B., D.C.L.  
Commander, R.N.

The Earl of Idlesleigh, G.C.B.,  
30, St. James' Place, S.W.

#### II.—LETTER from Mr. E. J. WATHERSTON.

12, Pall Mall East,  
London, S.W.

MY LORD,

My attention has been drawn to a speech of your Lordship, in House of Lords, in which you refer to commercial geography.

Perhaps you will excuse the liberty I take in sending you a paper on the subject referred to.

I am, &c.

(Signed) EDWARD J. WATHERSTON.

The Right Hon.  
the Earl of Idlesleigh.

SOCIETIES OF COMMERCIAL GEOGRAPHY. By EDWARD J. WATHERSTON.

*A Paper read at the British Association Meeting, York, 1881.*

It is an old saying that "Knowledge and perseverance lead to success." Doubtless knowledge properly stands first for without it no perseverance, be it ever so great, would reach a given aim. A blind man, however good his legs, cannot run as fast as a boy with fair eyesight. This fact, simple enough as it is, and indisputable, is one which many among us, notably our industrial classes, including the directors of them, manufacturers, merchants, and others, have signally ignored in recent years. There is no

nation in the world surpassing our own for perseverance and energy of action, but the knowledge which should guide this perseverance and energy is, unfortunately, not always to be found. Other nations have left us, in this respect, in the rear.

A few years ago I knew a manufacturer, a highly intelligent man, who produced a certain special article (which was, I believe, of his own invention) for exportation. The manufacture was a great success; but the manufacturer himself cared but little to know from what quarter of the globe the golden guineas came that filled his coffers. This, to him, trifling matter he left to the knowledge of agents or factors—middle men—who perhaps did not know much more than he—their business being to employ sub-agents, who in turn took no special interest in this one article of British manufacture; the routine of their work consisting in shipping off a great variety of home produce to foreign parts.

So it happened that one day my friend, the manufacturer of the special article, was informed by his chief "factor" that there was no further demand for his goods, consignments having been returned, there being a glut in the market. How the "glut" occurred he could not tell. It turned out in the end—but not for a long time after the manufacture of this special article could be brought to a stand-still or seriously diminished—that foreign agents had appeared on the market where the staple of the produce was sold, and had offered it at lower prices, being well able to do so, as the profits were considerable. I take this as a typical case, representing, I believe, thousands of similar ones. Energy and perseverance were not able to achieve success in the absence of knowledge.

Here is evidently a great want to be filled, and it is most surprising that it has not been done long ago. In this country, above all others, minor wants in trade and commerce are amply attended to. If Mr. Jones, of Manchester, wishes to learn whether Mr. Smith, keeping a small shop somewhere in London, be a solvent customer, or otherwise, he has but to apply to one among a score of societies, or private institutions, and, on payment of a small sum, or annual subscription, he will be duly, and in most instances correctly, informed that the said Mr. Smith may be trusted within the limits of a given amount. "He is good for a hundred pounds; good for a thousand pounds," will be the reply, as the case may be, and Mr. Jones gives credit accordingly. But if the same Mr. Jones wishes to send a cargo of cotton goods, say to Australia or to China, he will be quite unable to get the (to him) very important information as to whether these particular goods be at the time saleable or not. Perhaps his last consignment was a profitable one; but, for all he knows, the fashions may have changed, or foreign competition may have set in, without mentioning other causes for the non-sale of cotton goods. In such a case, if sent, goods at times must be disposed of at a loss, or be brought home at immense cost to their consignors.

All our great shipping companies are familiar with the fact that many of their vessels constantly carry out to British colonies and foreign countries large cargoes of merchandise, only to be sent home again. Of course, there is no kind of objection on the part of shipowners to this kind of "shuttle" work; but . . . our own and other Governments, no doubt, are doing much to prevent costly waste of national energy, resulting solely from the ignorance of our manufacturers and merchants. This is true. The British Government, to begin with, publish every year a host of Blue Books, under various titles, giving a mass of most valuable information concerning our import and export markets, the demands of trade, and similar matters. There are, *inter alia*, the "Reports of Her Majesty's Secretaries of Embassy and Legation on the Manufactures, Commerce, &c., of the countries in which they reside"—an admirable series, of which about half a dozen octavo volumes appear annually; and somewhat similar are the "Reports from Her Majesty's Consuls on the Manufactures, Commerce, &c., of their consular districts," more numerous even, and, in some respects, more valuable, as entering into details. Then there are monthly and annual "Accounts relating to the Trade and Navigation of the United Kingdom," summed up and enlarged in a huge quarto, known as the "Annual Statement," issued by the Board of Trade, and half a score of other Blue Books, described variously as "Statistical Abstracts," "Agricultural Returns," "Special Reports," and under other names. But vast as is the information given in all these official publications, the very vastness makes them all but useless to the classes whom they are intended to serve. Neither the merchants of London and Liverpool, nor the manufacturers of Birmingham, Sheffield, Leeds, and Manchester have time to study and digest the mass of literature under blue cover, kindly

issued by an enlightened Government. The Blue Books, moreover, are made the more unavailing to practical men of business by reason of the mountains of rubbishy matter—about a hundred weight of useless quartz embedding a couple of ounces of gold—the editorship of the volumes being left, as the *Times* once said, to that intelligent personage—the Printer's Devil! To make matters worse, not one of our numerous Blue Books has so much as an index to guide the reader through its mazes. Similar publications of foreign Governments are better edited, notably those of the United States, of Germany, and of Italy.

But it would clearly be impossible for any of our busy merchants and manufacturers to study all the British and foreign Blue Books in order to discover the best markets, or, if any, new outlets and inlets of commerce. It "does not pay," as the expressive saying is. It pays better—or rather, the loss is less—to send a ship to the antipodes, and bring it back again with the same cargo, than to spend time in reading a ship-load full of books. Thus, energy and perseverance continue to battle with ignorance.

Until quite recently other nations, in this respect, were not much better off than ourselves. However, a little more than three years ago, the idea occurred to a German professor, Dr. Jaunasch, well known as a writer on subjects of political economy and statistics, that his enterprising countrymen might derive advantage from the study of a new subject added to the hundreds of arts and sciences already taught in schools to the younger generation. He gave to the new study the name of "Commercial Geography" (*Handelsgeographie*)—a name which, if ineuphonious to English ears, is not infelicitous in the German language, delighting in compound nouns. The idea was simply to teach commercial men, including manufacturers that form of geography most interesting to themselves—namely, that of the countries of the globe most profitable both for buying and selling all kinds of merchandise. In short, the proposition was, that commercial men should be taught the names and positions of *markets* in addition to the names and positions of rivers, mountains, and so forth, as ordinarily taught in schools. The proposition "took" at once, and all the more as it came at the right time. Germany, suddenly risen to be one of the leading Powers of Europe, with a population prodigiously increasing, and scarcely finding room within its own borders, found itself in great want of outlets for its manufactures and agricultural produce, while not undesirous also to have (under conditions) inlets for foreign goods in exchange. To get an intimate knowledge of all this was set out as the principal subject to be taught by "Commercial Geography." The idea—so simple, that it is to be wondered how it failed to have occurred long ago—found almost immediate realisation in the establishment, at Berlin, of a "Society of Commercial Geography" (*Verein für Handelsgeographie*). The example of the capital was followed very soon by many other towns, where similar societies were formed, which, however, very prudently, did not set up as independent institutions, but affiliated themselves in immediate connexion with the parent society. This, at Berlin, is now known as the "central society" (*Centralverein*), and all the others are called "branch societies" (*Zweigvereine*)—the whole of them working together, as is their interest, in the utmost harmony. The management of each "branch society" is under a council in regular communication with that of the "central society," which latter consists of nine mem-

bers elected annually. The annual contribution of each member is fixed at not more than 12 marks, or as many shillings; but this does not include the subscription to the publications of the "central society," already three in number,\* with promise of more. The most important of these publications is a weekly paper called "Export," very ably edited, abounding in information to manufacturers, contributions from German merchants, as well as scientific men residing in nearly all parts of the civilised world. It would appear to be the design that these contributors to "Export"—all of them members, honorary or otherwise, of the "Centralverein für Handelsgeographie," at Berlin—shall gradually assume a position somewhat similar to our own "Lloyd's agents," scattered all over the globe. As is well known, those agents are gentlemen of good position, who, with great trust imposed on them, act from no mercenary motives, but find pride in doing service to their countrymen. In like manner, as Lloyd's agents report concerning ships, shipwrecks, and all matters relating to navigation, to the head-quarters in London, so the German agents send in their reports upon all matters relating to the commercial requirements of their districts to the "Centralverein für Handelsgeographie" in Berlin, which reports are published in full in the "Geographische Nachrichten," sold to non-members for the sum of two marks, or 2s. The list of agents includes some of the most eminent Germans settled abroad—men of scientific renown, anxious for their country's welfare.

Last year the societies held a "Congress" at Berlin, and the speeches, reported at length in a "Bericht über die Verhandlungen des Ersten Congresses für Handelsgeographie," show the great progress which has been made in the attempt to secure for Germany commercial relations with the entire world. I sincerely hope that, ere long, such a society may be in existence in this country. As a commencement, it might engraft itself, to save needless expenses, upon some existing institution. Already we have in our midst a system well calculated to develop such a society. I allude to the various "chambers of commerce." But there would be an absolute necessity for a "head quarters" (*Centralverein*). It would appear, however, that this want will shortly be supplied by the creation of a "London chamber of commerce," one of whose aims and objects should be the establishment of a society of commercial geography, undertaking the publication of a weekly or monthly paper. If to this were added a supplement, giving short and concise information about our export and import markets, it might, if sufficiently supported, develop into something like the journal "Export," published at Berlin. To begin with, our own Blue Books, together with those of the United States, Germany, Italy, and France, should be made more useful (by extracts and condensation) to our mercantile community, who at present scarcely know of their existence.

It is the earnest conviction of the writer of this paper that trade in the United Kingdom wants, not protection, but development.

The fact of her sons being scattered over the entire civilized world should secure for England the best and most reliable information regarding the commercial requirements of the world. Organisation alone is necessary. This should be found in the immediate establishment of a working—not talking—"society of commercial geography."

(a) "Export." (b) "Geographische Nachrichten für Welthandel und Volkswirtschaft." (c) "Handelsgeographisches Museum."



## APPENDIX F.

## TAXATION OF CARRIAGES IN RELATION TO DEPRESSION OF TRADE.

Carriage Manufactory,  
113, Victoria Street, London, S.W.  
June 19, 1886.

SIR,

I BEG respectfully to send you various printed papers prepared by the carriage building trade, with a view to showing how the special and exceptional taxation on the products of a useful home industry are a serious injury to all engaged in the manufacture, and a hindrance to the use of vehicles in many ways.

The carriage builders will, I am sure, feel very disappointed that they will not have an opportunity of seeing the Royal Commissioners, and stating their grievances.

I trust you will be so good as to have printed with the Final Report of the Royal Commissioners the statements now enclosed.

Thanking you for your friendly reception when I called on you, and for the time you devoted to me,

I have, &amp;c.

(Signed) G. N. HOOPER.

G. H. Murray, Esq.,  
Secretary of the Royal Commission  
on Depression of Trade,  
Treasury, Whitehall, S.W.

## ENCLOSURE I.

## TAXES ON CARRIAGES.

*The Deputation of Carriage Builders, Carriage Hirers, and Representatives of the accessory Trades to the Chancellor of the Exchequer, at the Treasury, March 17, 1886.*

The deputation was accompanied by several Members of Parliament, and introduced by J. Brinton, Esq., M.P., and J. Craven, Esq., M.P., specially nominated representatives of the Associated Chambers of Commerce. The very limited time allowed for the interview prevented several members of the deputation expressing their opinions on the question at issue. After Mr. Brinton, M.P., Mr. Gilchrist, Mr. G. N. Hooper, Mr. Philipson, Mr. Armstrong, Mr. Holmes, and others had spoken, the Chancellor of the Exchequer replied.

In the course of his remarks he is reported to have said: "I am glad to find that the remarkable depressing effect upon trade does not seem to have affected the carriage trade as some seem to think, because I find that, in the year 1884, the number of carriages was the largest that had ever been made according to our knowledge."

"As a fact, as far as we know, there has been, curiously enough, a larger increase in the number of licenses in the year 1885 than in any year previously as far as I can see; that is to say, the increase in the number of licenses is shown by the fact that they were 477,388 in 1885, as contrasted with 470,285 in the preceding year." "And if I look back to the year 1870, I find that the licenses have increased from 145,000 in that year to 155,000 in 1883. That is, the 42s. duty and the 15s. duty increased from 276,000 in 1870 to 308,000 in 1883, and in two last years subsequent to 1883 the increase has been in a greater ratio even than that." "Therefore, it has not been, so far as I can make out, either a declining duty or a declining trade."

There was no time allowed or opportunity given for immediately replying to these statements, viz.:

1st.—"The remarkable depressing effect upon trade does not seem to have affected the carriage trade."

2nd.—"As a fact, as far as we know, there has been a larger increase in the number of licenses in the year 1885 than in any previous year."

3rd.—"From 1870 licenses have increased, and in the two last years subsequent to 1883 the increase has been in a greater ratio." Inference—

"Therefore it has not been, so far as I can make out, a declining duty or a declining trade."

To these statements exception is taken. To the 1st, because it is misleading, as proved by the Inland Revenue

Report, from which the Chancellor of the Exchequer quoted.

The 2nd, like unto the first, is inaccurate and misleading.

That is to say, that the number of annual licenses in 1885 was not 477,388, as stated, but 472,577, and that number includes for the first time in any Inland Revenue returns the three months' licenses granted from October 1st in the preceding year, of which there were 2,542 issued, and which ought not to be reckoned among the annual licenses; so that the annual licenses were 470,035, not more than in 1884, when the number was 470,342, but less, not an increase, but a decrease of 307. This is the more remarkable considering the reduced hackney carriage license, and the increase in the number of tram cars.

Further.—The figures used in reference to 1870 and to 1883 are not fairly used or accurate. When the Chancellor of the Exchequer said "that in the two years subsequent to 1883 the increase has been in a greater ratio than in former years," he did not mention what in fairness he ought to have mentioned, and of which he should be aware with the report before him, that in the three years previous to 1882 the decrease in the number of licenses issued was 14,104.

The 3rd.—It is true the number of licenses issued increased after 1870. The tax was reduced in 1869 from 3l. 10s. to 2l. 2s., and during the seven years following the increase of licenses issued in Great Britain was 18½ per cent., but since 1877 the increase has only been 2 per cent. Yet the Chancellor of the Exchequer asserted that neither the trade nor the duty were declining, but increasing even in these bad times in a larger ratio than at previous periods, when the effects of the bad times were not operative, especially against this industry.

In previous periods the increase was, say, seven years before 1869, 20 per cent.; seven years after 1870, 18½ per cent., and seven years since 1877, 2 per cent. These figures are commended as accurate and reliable to the consideration of the Chancellor of the Exchequer, and to all others interested in extracting the real truth as to the blighting effects of the carriage taxes.

*Population increasing at 14 per cent. Carriages at 2 per cent.*

If the carriage trade is not declining (that is, tending to a worse state), but as the Chancellor said "is increasing and increasing, too, at a larger ratio than at previous periods," then words lose their meaning, figures their significance, and interviews with Chancellors of the Exchequer become a delusion, a sham, and a waste of time to all parties concerned, if figures are distorted and facts ignored.

ANALYSIS of the EFFECTS of TAXATION in relation to production, extracted from the 28th Report of the Commissioners of Her Majesty's Inland Revenue (London, 1885).

*England and Wales.*

From 1870 to 1877 (7 years), just after the tax on carriages was reduced from 3l. 10s. to 2l. 2s., and many restrictions on their use were removed, such as the duty on horses, turnpike tolls, &c. -	The increase of licenses issued on carriages was 20 per cent.
From 1877 to 1884 (7 years) there was no alteration in, or reduction of, the carriage tax -	The increase of licenses on carriages was 1½ per cent.
1870. Four-wheeled carriages, 120,774	Increase in 7 years, 3,394 or 20 per cent. Decrease, 385 or 0·3 per cent.
1877. " " 141,077	
1877. " " 141,077	
1884. " " 140,742	
1870. Two-wheeled carriages, 203,778	Increase, 73,199 or 35 per cent. Increase, 8,100 or 2·9 per cent.
1877. " " 276,977	
1877. " " 276,977	
1884. " " 285,077	



*Scotland.*

From 1870 to 1877 (7 years), just after the tax on carriages was reduced from 3 <i>l.</i> 10 <i>s.</i> to 2 <i>l.</i> 2 <i>s.</i> , and many restrictions on their use were removed, such as the duty on horses, turnpike tolls, &c. -	The increase of licenses issued on carriages was 30 per cent.
From 1877 to 1884 (7 years) there was no alteration in, or reduction of, the carriage tax -	The increase of licenses on carriages was 10 per cent.
1870. Four-wheeled carriages, 11,557	Increase in 7 years, 3,394 or 29 per cent.
1877. " " 14,951	
1877. " " 14,951	
1884. " " 16,027	1,076 or 7 per cent.
1870. Two-wheeled carriages, 19,213	5,958 or 31 per cent.
1877. " " 25,171	
1877. " " 25,171	
1884. " " 28,496	3,325 or 13 per cent.

*United Kingdom.*

From 1870 to 1877 (7 years), just after the tax on carriages was reduced from 3 <i>l.</i> 10 <i>s.</i> to 2 <i>l.</i> 2 <i>s.</i> , and many restrictions on their use were removed, such as the duty on horses, turnpike tolls, &c. -	The increase of licenses issued on carriages was 18½ per cent.
From 1877 to 1884 (7 years) there was no alteration in, or reduction of, the carriage tax -	The increase of licenses on carriages was 2 per cent.
1870. Four-wheeled carriages, 132,331	Increase in 7 years, 23,697 or 17 per cent.
1877. " " 156,028	
1877. " " 156,028	
1884. " " 156,769	714 or 0·4 per cent.
1870. Two-wheeled carriages, 249,991	Increase, 52,157 or 20 per cent.
1877. " " 302,148	
1877. " " 302,148	
1884. " " 313,573	11,425 or 3·7 per cent.

The restrictive and blighting action of these taxes prevents those engaged in the industry even keeping pace with the increase of population, and by enhancing the cost of production has most materially reduced the export of British carriages to our own colonies, as well as to foreign countries.

## ENCLOSURE II.

The deputation of coachbuilders, job-masters, and others that waited on the Chancellor of the Exchequer on the 17th day of March last had no opportunity of replying to the statements he made.

This paper is issued to show the carriage building trade, and all those who are directly or indirectly interested in the taxation of carriages, that it is only by a careful examination and comparison of facts and figures that an accurate knowledge of the condition of the trade can be arrived at.

The Chancellor quoted the number of licenses issued in England in 1870, and compared them with the number issued in 1883, and, "so far as he could make out," inferred that "coach building was not a declining trade." "You may generally conclude that the number of licenses is increasing, and increasing, too, even in these bad times, in a larger ratio than at previous periods, when the effect of the bad times were not operative, especially against this interest."

The facts are these, as given above, and cannot be contradicted or disproved:—

The increase of licenses issued in the United Kingdom from 1862 to 1869, 7 years, 20 per cent.

The increase of licenses issued in the United Kingdom from 1870 to 1877, 7 years, 18½ per cent.

The increase of licenses issued in the United Kingdom from 1877 to 1884, 7 years, 2 per cent.

The figures speak for themselves, the misfortune is that so few know them, and so many read what a Chancellor of the Exchequer says, and receive his statements without the necessary investigation to arrive at the real facts of the case. The trade is declining, and it is the duty of the deputation to do what they can to remove the incorrect impression by a plain statement of the facts of the case.

**SUGGESTIONS for MODIFICATION of CARRIAGE LICENSES**, submitted to the Chancellor of the Exchequer, March 17th, 1886, as a temporary relief to the Carriage Building Industry till the whole of these exceptional and special Taxes on Industry can be abolished.

*Carriages kept by Coachmakers and others to let on hire.*

Four-Wheel Carriages.		Two-Wheel Carriages.	
Term of Hiring.	Duty.	Term of Hiring.	Duty.
1 month -	£ s. d. 0 2 0	1 month -	£ s. d. 0 1 0
3 months -	0 6 0	3 months -	0 3 0
6 months -	0 12 0	6 months -	0 6 0
12 months -	1 0 0	12 months -	0 10 0

*Carriages kept for private use and not to be let for hire.*

Four-Wheel Carriages.		Two-Wheel Carriages.	
Term of Using.	Duty.	Term of Using.	Duty.
3 months -	£ s. d. 0 6 0	3 months -	£ s. d. 0 3 0
6 months -	0 12 0	6 months -	0 6 0
12 months -	1 0 0	12 months -	0 10 0

On cabs and hackney carriages the same rates as above. Abolish the taxation of carriages at the expiration of one year.

Mitigate penalties from 20*l.* to 5*l.*

Carriages lent by coachmakers to customers while their own are under repair to be exempt from duty.

No other exemptions as to weight, height of wheels, &c.

## EXPLANATION to show the WORKING of the PROPOSED ALTERATIONS.

1. The short-term licenses would give relief to many persons, thus:—

2. In the Highlands of Scotland, where the season lasts from two to three months, the tax would be proportioned to the earnings.

3. The same holds good with towns, inland or on the coast, having periodical seasons, when carriages are in great request for about three months and then lie idle for nine months.

4. Buyers would not so much defer buying carriages in the three last months of each year, as the tax would be proportioned to the use.

5. By equalizing the tax on cabs and hackney carriages the discontent now existing would be allayed. At present, persons in the same towns competing for similar traffic pay different rates of tax, some fifteen shillings and others forty-two shillings.

NOTE.—In explanation of this clause it should be stated that the recent alterations made by Mr. Childers during his term of office, that carriages plying for hire in the streets, under local authority, and having a plate of fares, pay fifteen shillings, but others, let by livery stable keepers without the plate, pay the two guineas tax. (The plate is only obtainable in certain towns.)

6. By abolishing the exemption on weight, height of wheels, &c. the premium on carriages employing little skill and labour would be removed, better carriages would be bought, and more skilled labour employed.

7. The penalties of twenty pounds are too severe where doubts and difficulties arise as to the liability of taxation.

8. By abolishing the tax the expensive warehouses would be cleared of accumulations of old carriages—expenses of carrying on the trade would be reduced—capital would be liberated and available for wages, rent, taxes, &c.—and competition with foreign countries for colonial and foreign trade would be more successful.

9. Under present conditions of British and foreign tariffs, foreign carriages enter Great Britain free of duty, all other countries levy duties more or less severe on British carriages entering their ports—the internal taxation and restraint on the trade here have artificially so augmented the expenses of carrying it on that the export of British carriages has been so seriously reduced as to deprive large numbers of skilled workmen of employment, and place many thousands on short time and short wages.

10. The abolition of the tax would place the trade on the same footing as other British industries and afford more employment to the artisans.

COMPARISON OF THE TAXATION OF THE RAILWAY INDUSTRY  
and the CARRIAGE INDUSTRY.

<i>Railway Industry.</i>		<i>Carriage Building Industry.</i>	
<p>1871. Paid-up capital - £ 552,000,000 1881. " " - 745,000,000 35 per cent increase. 1884. Paid-up capital - 801,000,000 Annual receipts - 70,500,000 Net annual profit - 33,300,000 1882-83. Passenger duty produced - 800,000 Mr. Childers reduced the duty and the amount is now - 392,000 51 per cent. reduction.</p> <p><i>Increase.</i> Capital: 1871 to 1881 - 35 per cent. Passenger traffic: 1871 to 1881 - 33 " Passenger duty: 1871 to 1881 - 29½ " Mr. Childers reduced the passenger duty in 1883 - 51 "</p>		<p>1871. Passenger traffic £ 20,800,000 1881. " " 27,400,000 33 per cent. increase. 1871. Railway passenger duty - 501,000 1881. Railway passenger duty - 748,000 Nearly 30 per cent. increase.</p> <p>Stock in trade - - } Plant - - } Machinery - - } £ 6,000,000 Materials and partly made stock and cash at banks - - } Net profits (say 10 per cent. taking good and bad years) - - 600,000 1883-4. annual taxation - 564,000 Tax reduced to 15s., and three months' licenses for six months' tax (duty reduced to) - 546,000 3 per cent. reduction.</p> <p><i>Increase.</i> Capital: 1871 to 1881 - 4 to 5 per cent. Annual turnover: 1871 to 1881 - 4 to 5 " Workmen: 1871 to 1881 - 5 " Duty paid: 1871 to 1881 - 5 " Increase of population 14 " Increase in the number of carriages - 5 " Mr. Childers reduced in 1884 the license on four-wheeled hackney carriages from 42s. to 15s. Such "hackney carriages" are about 2½ per cent. of the whole number of carriages for which licenses are taken out. The gross number of licenses for 1886 are fewer than for 1885 by 1,625, showing a continual decrease and depression in the trade.</p>	
		<p>1871. Duty - - £ 518,000 1881. " - - 540,000 Less than 5 per cent. increase. 1871. Carriages taxed - 428,000 1881. " " - 450,000 An increase of only 5 per cent. in 10 years.</p>	

## APPENDIX G.

British Iron Trade Association,  
Victoria Mansions, Victoria Street,  
London, S.W.,

DEAR SIR, August 16, 1886.  
AT the instance of this Association, Sir Bernhard Samuelson has prepared a number of tables showing the differences in the rates charged for the transport of iron and iron-making materials, as between this country and Germany and Belgium. The difference in the great majority of cases is against the traders of the United Kingdom, and as these rates have been collected from our manufacturers specially for this purpose, and have at a very considerable expenditure of time and trouble been collated by Sir Bernhard, our Association would be glad to have them incorporated in the Final Report of the Royal Commission. The rates are of great importance as throwing light upon the higher range of charges that prevails in this country as compared with our most active and successful rivals abroad, and from this point of view they are calculated to illustrate, in a very remarkable degree, one of the most potent causes of the depression from which the iron trade has suffered for a very considerable time past. I shall be glad if you will kindly bring this matter under the notice of the Commissioners.

The Secretary,  
Royal Commission on the  
Depression of Trade.

Yours, &c.  
J. S. JEANS,  
Secretary.

## TABLES.

The following tables are compiled on the most authentic information that the Association has been able to obtain. They show the British rates, and what those rates would be if charged according to the German and Belgian tariffs.

In the foreign rates all terminal charges and those for loading and unloading when requisite for comparison with the British rates have been included.

The British rates are all station to station rates, but in some cases include loading and unloading.

## IRON ORE.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale	Dowlais	1 4	1 2	1 1
"	Abersychan	1 4	1 4	1 2
"	Blisworth	8 0	6 8	5 2
"	Northampton	8 1	6 10	5 3
"	Cosenhoe	8 3	7 0	5 4
"	Thrape	9 7	8 10	5 7
"	Thrapstone	9 6	8 8	5 7
"	Weedon	8 8	6 6	5 1
Ardrossan	Carnbroe	3 0	2 6	3 0
"	Ardeer	0 6	0 11	0 9
"	Glengarnock	1 3	1 4	1 4
Glasgow	Carnbroe	1 3	1 4	1 4
Bo'ness	"	2 0	1 8	1 10
Wolverhampton	Brymbo Works	4 6	3 1	3 7
Saltney	"	1 11	1 6	1 6
Birkenhead	"	3 5	2 2	2 5
Cardiff	"	7 6	5 4	4 7
Brixworth	"	7 2	—	—
Mostyn	"	3 3	2 2	2 6
Flint	"	3 0	—	—

MEMORANDUM.—Where the British rates are for owners' waggons, and there is no special charge for waggon hire, 4th penny per ton per mile has been added to the rates for hire of waggons, the foreign rates including waggon hire.

## IRON ORE (Hematite).

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Biggig, Cleator Moor Group.	Workington	1 11½	1 4	1 5
Cleator Moor	"	1 11½	1 4	1 4
Crossfield	"	1 11½	1 4	1 4
Egremont	"	1 11½	1 5	1 5
Eskett	"	1 11½	1 6	1 6
Fritzington	"	1 11½	1 5	1 5
Moor Row	"	1 11½	1 4	1 3
Mowbray Branch	"	2 2½	1 6	1 6
Rowrah	"	1 2½	1 5	1 5
Winder	"	1 11½	1 6	1 6
Wood End, Cleator Moor Group.	"	1 11½	1 4	1 4
Yeathouse	"	1 11½	1 6	1 6
Askham, Furness Group.	"	3 3	2 8	3 3
Barrow	"	3 6	2 10	3 4
Dalton	"	3 6	2 10	3 3
Hodbarrow	"	3 0	2 5	2 9
Lindal	"	3 6	2 10	3 4
Ulverston	"	3 6	2 11	3 5

## IRONSTONE.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Plan	Glengarnock	1 4½	1 5	1 5
"	Ardeer	1 1½	1 4	1 4
Garscadden	Carnbroe	1 9½	1 7	1 10
Walkinshaw	"	1 10½	1 8	1 10
Spa Mines	Middlelebro'	1 1	1 5	1 5
Brotton Mines	"	1 3½	1 7	1 8

## LIMESTONE.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Mineral	Brymbo Works	1 0	1 0	0 9
Bishopley Quarries	Middlelebro'	2 2½	2 5	2 8
Frosterley	"	2 2½	2 5	2 8
Raisby Hill	"	1 6½	1 10	1 11
Wingate	"	1 4½	1 8	1 9

## COAL.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale	Beaufort	0 8	0 8	0 7
"	Brynmaur	0 9	0 8	0 8
"	Clydach	1 3	0 10	0 11
"	Gowelon	1 6	1 0	1 1
"	Abergavenny	1 10	1 1	1 4
"	Dowlais	1 5	1 0	1 1
"	Waenavon	0 9	0 10	0 9
"	Blaenavon	1 2	1 0	1 0

COAL—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale -	Abersychan -	1 4	1 1	1 3
" -	Sirhowy -	0 8	0 10	0 10
" -	Tredegar -	0 10	0 10	0 11
" -	Talybont -	3 0	1 7	1 11
" -	Tallylyn -	3 4	1 10	2 1
" -	Brecon -	3 9	2 0	2 3
" -	Netherton -	5 11	4 4	3 11
" -	Park Head -	5 11	4 4	3 11
" -	Woodhouse -	6 11	7 11	5 3
" -	Round Oak -	6 1	4 8	4 1
" -	Kingswinford -	6 1	4 8	4 1
" -	Brettel Lane -	6 0	4 8	4 1
" -	Corbyn Hall -	6 0	4 4	3 11
" -	Stourbridge -	6 0	4 8	4 1
" -	Cradley -	6 0	4 8	4 1
" -	Lye -	6 0	4 8	4 1
" -	Worcester -	6 0	3 11	3 9
" -	Waterford -	—	—	—
" -	Bushey -	10 9	9 6	6 0
" -	Berkhampstead -	9 6	6 10	4 10
" -	Dunstable -	10 5	8 10	5 7
" -	Bletchley -	9 3	6 5	4 8
" -	Banbury -	8 9	5 11	4 6
" -	Cambridge -	11 10	10 0	6 5
" -	Wolverton -	9 9	8 1	5 4
" -	Blisworth -	9 5	7 10	5 2
" -	Peterborough -	12 0	9 6	6 0
" -	Rugby -	8 6	7 1	4 11
" -	Crewe -	7 8	5 5	4 4
" -	Stafford -	7 8	5 4	4 4
Motherwell -	Carnbroe -	0 6	0 10	0 9
Camp Colliery -	" -	0 7½	0 10	0 9
Craignenk -	" -	0 9	0 10	0 10
Warwickhill -	Glengarnock -	1 1½	1 1	1 3
Woodhill -	" -	1 4½	1 4	1 5
" -	Ardeer -	1 3	1 1	1 4
Fergushill -	" -	0 7½	0 10	0 11

MEMORANDUM.—Where the British rates are for owners' waggons' and there is no specified charge for waggon hire, 4th penny per ton per mile has been added to the rates for hire of waggons, the foreign rates including waggon hire. The present rebate has been deducted from the British rates.

COKE.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Consett Co. (West-wood).	Workington -	6 6½	4 8	4 1
Stella Co. -	" -	6 0½	4 6	4 0
Straker & Love (Brancepeth).	" -	7 2	6 0	4 2
Hamsterley Co. -	" -	6 8½	4 7	4 0
Lintz Colliery Co. -	" -	—	4 7	4 0
Thompson & Co. (Byrom Colliery).	" -	4 5½	3 1	3 4
Thompson & Co. (Kirkhouse Co.).	" -	4 1½	3 1	3 4
Mickley Co. -	" -	5 8½	4 1	3 10
South Durham Co. -	" -	—	4 10	4 1
J. Bowes (Marley Hill).	" -	6 6½	4 7	4 0
West Tees Colliery	Middlesbro' -	2 0	1 10	2 1
Croxdale -	" -	1 10	1 8	1 11

COKE—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Butterknowle -	Middlesbro' -	2 2	2 0	2 2
Woodlands Junction.	" -	2 4½	1 11	2 2
Framwellgate Colliery.	" -	2 3	2 0	2 4
Littleburn -	" -	1 11½	1 10	2 1
Cornsay -	" -	2 4	2 1	2 4
Lambton Sherburn	" -	1 11½	1 10	2 1
Newton Cap -	" -	1 10	1 8	2 0
Ebbw Vale -	Rhymney -	1 1	0 11	0 11
" -	Netherton -	6 6	4 4	3 11
" -	Park Head -	6 6	4 4	3 11
" -	Woodhouse -	7 7	7 11	5 3
" -	Round Oak -	6 8	4 8	4 1
" -	Kingswinford -	6 8	4 8	4 1
" -	Brettel Lane -	6 7	4 8	4 1
" -	Corbyn Hall -	6 7	4 4	3 11
" -	Stourbridge -	6 7	4 8	4 1
" -	Cradley -	6 7	4 8	4 1
" -	Lye -	6 7	4 8	4 1
" -	Kidderminster -	6 6	4 5	4 0
" -	Worcester -	6 7	3 11	3 9
" -	Waterford -	—	—	—
" -	Bushey -	11 9	9 6	6 0
" -	Berkhampstead -	10 6	6 10	4 10
" -	Bletchley -	10 3	6 5	4 8
" -	Banbury -	9 9	5 11	4 6
" -	Wolverton -	10 9	8 1	5 4
" -	Blisworth -	10 6	7 10	5 2
" -	Crewe -	8 8	5 5	4 4
" -	Stafford -	8 2	5 4	4 4

MEMORANDUM.—Where the British rates are for owners' waggons, and there is no specified charge for waggon hire, 4th penny per ton per mile has been added to the rates for hire of waggons, the foreign rates including waggon hire. The present rebate has been deducted from the British rates.

PIG IRON.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale -	Rhymney -	1 6	1 2	0 11
" -	Dowlais -	1 8	1 4	1 2
" -	Blaenavon -	1 6	1 2	1 0
" -	Abersychan -	1 6	1 5	1 3
" -	Tredegar -	1 3	1 1	0 11
" -	Yncoedymmer -	1 8	1 6	1 7
" -	Netherton -	6 6	4 4	3 11
" -	Park Head -	6 8	4 4	3 11
" -	Woodhouse -	6 8	7 11	5 3
" -	Round Oak -	6 8	4 8	4 1
" -	Kingswinford -	6 8	4 8	4 1
" -	Brettel Lane -	6 8	4 8	4 1
" -	Corbyn Hall -	6 8	4 4	3 11
" -	Stourbridge -	6 8	4 8	4 1
" -	Cradley -	6 8	4 8	4 1
" -	Lye -	6 8	4 8	4 1
" -	Hagley -	6 4	4 6	4 0
" -	Churchill -	6 4	4 6	4 0
" -	Kidderminster -	6 4	4 5	4 0
" -	Hartlebury -	6 4	4 4	3 11
" -	Droitwich -	6 8	4 1	3 10

## PIG IRON—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale -	Stoke Works -	6 8	4 2	3 11
" -	Worcester -	6 8	3 11	3 9
" -	Panteg -	1 9	1 7	1 7
" -	Lydbrook -	3 9	2 7	2 10
" -	Halesowen -	7 6	5 2	4 3
" -	Waterford -	—	—	—
" -	Berkhamstead -	15 0	6 10	4 10
" -	Oxford -	13 4	5 4	4 4
" -	Banbury -	10 10	5 11	4 6
" -	Northampton -	11 8	8 0	5 3
" -	Thrape -	11 8	5 11	5 7
" -	Thrapstone -	11 8	8 8	5 7
" -	Weedon -	11 8	7 6	5 1
" -	Leicester -	11 3	7 2	5 0
" -	Derby -	11 0	6 8	4 9
" -	Sheffield -	11 0	7 10	5 3
" -	Crewe -	8 4	5 5	4 4
" -	Stafford -	10 10	5 4	4 4
" -	Deepcar -	12 0	7 6	5 1
" -	Leeds -	15 0	7 10	5 3
" -	Wakefield -	15 0	7 8	5 2
Saltney -	Brymbo Works -	2 9	1 6	1 6
Middlesbro' -	Durham -	2 11	2 1	2 4
" -	York -	4 5	3 0	3 4
" -	Leeds -	5 1	3 6	3 7
" -	Bradford -	6 3	3 11	3 9
" -	Halifax -	6 10	4 0	3 10
" -	Carlisle -	6 4	4 7	4 0
" -	Manchester -	8 4	5 0	4 2
" -	Birmingham -	11 3	7 11	5 3
Workington -	Barrow -	3 9	3 1	3 4
" -	Birmingham -	12 0	8 6	5 6
" -	Carlisle -	3 9	2 4	2 6
" -	Crewe -	10 0	6 8	4 10
" -	Darlington -	8 4	4 11	4 2
" -	Manchester -	8 8	6 1	4 7
" -	Glasgow -	8 6	6 1	4 7
" -	Hull -	8 6*	7 7	5 2
" -	London -	17 6	12 6	—†
" -	Liverpool -	8 1	5 8	4 6
" -	Maryport -	0 9*	1 0	0 10
" -	Middlesbro' -	8 4	5 4	4 4
" -	Newcastle-on-Tyne -	8 4	4 8	4 1
" -	Sheffield -	9 4	7 6	5 1
" -	Stockton -	8 4	5 2	4 3
" -	Warrington -	7 2	5 8	4 6
" -	Whitehaven -	1 4*	1 2	1 0
" -	Wolverhampton -	11 8	8 0	5 4
Glengarnock -	Glasgow -	2 1½	1 8	1 9
" -	Greenock -	2 3½	1 11	2 0
" -	Ardrossan -	1 7½	1 5	1 6
" -	Ayr -	2 2½	1 10	1 11
" -	Irvine -	1 4½	1 5	1 3
" -	Troon -	1 9½	1 6	1 7
" -	Leith -	4 3½	3 8	3 8
" -	Coatbridge -	2 7	2 1	2 4
Ardeer -	Ardrossan -	0 9	1 0	0 9
Carnbroe -	Glasgow -	1 4½	1 4	1 3

\* Shipment.

† No quotation for this distance.

## PIG IRON—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Carnbroe -	Greenock -	2 8	2 4	2 6
" -	Leith -	3 0	2 7	2 10
" -	Grangemouth -	2 2½	1 10	1 11
" -	Dundee -	5 3	4 0	3 10

## RAILS.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale -	Nantzbroch -	2 6	1 0	1 1
" -	Brecon -	6 8	2 6	2 11
" -	Worcester -	6 8	5 6	5 4
" -	Waterford -	—	—	—
" -	Oxford -	12 6	7 8	5 11
" -	Bedford -	17 6	10 0	6 5
" -	Cambridge -	16 8	15 2	7 7
" -	Wolverton -	13 4	12 2	6 11
" -	Northampton -	15 0	11 11	6 10
" -	Thrapstone -	15 0	13 1	7 2
" -	Peterborough -	15 10	14 4	7 4
" -	Weedon -	13 4	11 4	6 9
" -	Rugby -	13 4	10 6	6 7
" -	Leicester -	15 10	10 10	6 7
" -	Derby -	10 0	9 11	6 5
" -	Ely -	22 6	15 1	7 7
" -	Boston -	19 2	13 11	7 11
" -	Lincoln -	17 6	13 6	7 2
" -	Crewe -	12 6	7 11	5 11
" -	Stafford -	10 0	7 8	5 11

## IRON (Manufactured).

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Workington -	Barrow -	4 9	4 11	5 6
" -	Birmingham -	15 0	13 11	7 11
" -	Carlisle -	5 0	3 10	4 2
" -	Crewe -	12 6	10 11	7 3
" -	Darlington -	11 8	8 0	6 7
" -	Edinburgh -	10 10	9 10	7 0
" -	Glasgow -	9 6	9 11	7 0
" -	Hull -	12 6*	12 6	7 7
" -	London -	19 6	22 2	—†
" -	Liverpool -	10 10	9 5	6 11
" -	Manchester -	10 10	9 11	7 0
" -	Maryport -	0 9*	2 1	2 0
" -	Middlesbro' -	11 8	8 10	6 9
" -	Newcastle-on-Tyne -	10 0	7 10	6 6
" -	Sheffield -	16 8	12 4	7 6
" -	Stockton -	11 8	8 7	6 8
" -	Warrington -	12 6	9 5	6 11
" -	Whitehaven -	1 4*	2 5	2 3
" -	Wolverhampton -	15 0	13 1	7 9

\* Shipment.

† No quotation for this distance.

MEMORANDUM.—3s. has been deducted from the London rate for delivery in five ton lots.

## STEEL (Plates).

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Glengarnock	Glasgow	2 6	2 0	2 4
"	Ardrossan	2 0	1 7	1 10
"	Leith	6 3	5 2	5 3
"	Dundee	8 9	7 4	5 10
"	Manchester	15 0	13 11	7 4
"	Birmingham	17 6	18 0	—*
"	Leeds	16 8	13 6	7 3
"	Warrington	17 6	13 8	7 3
"	London	25 0	23 10	—*

\* No quotation for this distance.

## IRON (Undamageable).

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale	Abergavenny	2 6	1 7	1 8
"	Dowlais	2 0	1 5	1 6
"	Blaenavon	1 8	1 5	1 5
"	Aberyschan	1 8	1 6	1 8
"	Blackwood	2 6	1 8	1 11
"	Tredegar Junction	3 0	1 8	1 11
"	Yncoedcymmer	4 0	1 8	1 11
"	Brecon	5 0	2 6	3 0
"	Netherton	8 4	6 2	5 7
"	Park Head	8 4	6 2	5 7
"	Woodhouse	8 4	11 10	6 10
"	Round Oak	8 4	6 10	5 8
"	Kingswinford	8 4	6 10	5 8
"	Brettel Lane	8 4	6 8	5 8
"	Corbyn Hall	8 4	6 1	5 6
"	Stourbridge	8 4	6 8	5 8
"	Cradley	8 4	6 10	5 8
"	Lye	8 4	6 8	5 8
"	Churchill	8 4	6 6	5 7
"	Kidderminster	8 4	6 4	5 7
"	Hartlebury	8 4	6 1	5 7
"	Droitwich	8 4	5 10	5 6
"	Stoke Works	8 4	6 0	5 6
"	Worcester	7 6	5 6	5 4
"	Panteg	2 3	1 10	2 1
"	Lydbrook	4 4	3 1	3 10
"	Halesowen	8 4	7 6	5 10
"	Waterford	—	—	—
"	Dunstable	16 8	13 4	7 2
"	Bletchley	16 8	9 5	6 3
"	Oxford	14 2	7 8	5 11
"	Banbury	14 2	8 7	6 1
"	Cambridge	16 8	15 2	7 7
"	Blisworth	14 2	11 8	6 10
"	Leicester	12 6	10 10	6 7
"	Derby	12 6	9 11	6 5
"	Sheffield	15 0	11 8	6 10
"	Lincoln	20 0	13 6	7 2
"	Crewe	10 0	7 11	5 11
"	Stafford	10 10	7 8	5 11

## IRON (Undamageable)—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale	Deepcar	11 0	11 2	6 8
"	Leeds	15 10	11 8	6 10
"	Wakefield	15 10	11 7	6 9
Spring Vale Siding	Albion	2 0	2 1	2 0
"	Birkenhead	10 0	6 7	6 3
"	Bradford	11 8	8 4	6 7
"	Bury	11 8	7 2	6 4
"	Burnley	14 2	8 2	6 7
"	Birmingham	3 0	2 7	2 6
"	Bolton	11 0	7 0	6 4
"	Clydach	8 4	9 4	6 10
"	Chapel-en-le-Frith	11 8	6 10	6 3
"	Coalville	7 6	4 4	4 11
"	Coventry	5 0	3 6	3 11
"	Dudley	2 0	2 0	2 0
"	Darlaston	2 6	2 5	2 3
"	Gainsbro'	11 8	10 7	7 2
"	Gloucester	7 0	7 4	6 5
"	Gorton	10 6	6 5	6 2
"	Great Bridge	2 3	2 1	2 0
"	Hull	13 4	9 8	6 10
"	Hyde Junction	10 0	6 5	6 2
"	Heywood	11 8	6 10	6 4
"	Liverpool	10 0	7 2	6 4
"	London	12 6	9 1	6 10
"	Leeds	11 8	8 4	6 3
"	Manchester	10 6	6 6	6
"	Newton	10 0	6 5	6 2
"	Norwich	10 0	5 1	5 7
"	Oakengates	4 2	4 0	4 6
"	Oldham	10 10	6 11	6 4
"	Sheffield	10 0	8 4	6 8
"	Spon Lane	2 3	2 2	2 2
"	Smethwick	2 4	2 4	2 2
"	Soho	2 6	2 5	2 3
"	St. Helen's	10 6	6 6	6 2
"	Sowerby Bridge	11 8	7 11	6 6
"	Wolverhampton	1 11	1 11	1 10

## IRON (Damageable).

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale	Abergavenny	4 8	1 7	2 0
"	Dowlais	4 2	1 5	1 9
"	Yncoedcymmer	4 2	1 8	2 4
"	Netherton	10 10	6 2	7 5
"	Park Head	10 10	6 2	7 5
"	Woodhouse	10 10	11 10	10 1
"	Round Oak	10 10	6 10	7 9
"	Kingswinford	10 10	6 10	7 9
"	Brettel Lane	10 10	6 8	7 8
"	Corbyn Hall	10 10	6 1	7 5
"	Stourbridge	10 10	6 8	7 8
"	Cradley	10 10	6 10	7 9
"	Lye	10 10	6 8	7 8
"	Churchill	11 8	6 6	7 7
"	Kidderminster	11 8	6 4	7 6



IRON (Damageable)—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Ebbw Vale -	Hartlebury -	11 8	6 1	7 5
" -	Droitwich -	10 0	5 10	7 3
" -	Stoke Works -	11 8	6 0	7 5
" -	Worcester -	10 0	5 6	7 1
" -	Halesowen -	10 10	7 6	8 1
" -	Oxford -	16 8	7 8	8 2
" -	Banbury -	16 8	8 7	8 7
" -	Cambridge -	18 4	15 2	11 7
" -	Peterborough -	17 6	14 4	11 2
" -	Sheffield -	20 10	11 8	10 0
" -	Leeds -	23 4	11 8	10 0
" -	Wakefield -	23 4	11 7	9 11
Spring Vale Siding	Albion -	2 2	2 1	2 2
" "	Birkenhead -	12 6	6 7	8 0
" "	Bradford -	14 2	8 4	8 10
" "	Bury -	14 2	7 2	8 3
" "	Burnley -	16 8	8 2	8 9
" "	Birmingham -	3 6	2 7	2 10
" "	Bolton -	12 6	7 0	8 2
" "	Clydach -	10 10	9 4	9 4
" "	Chapel-en-le-Frith -	13 4	6 10	8 1
" "	Coalville -	10 10	4 4	6 1
" "	Coventry -	6 8	3 6	4 8
" "	Dudley -	2 1	2 0	2 1
" "	Darlaston -	2 8	2 5	2 5
" "	Gainsbro' -	13 4	10 7	9 11
" "	Gloucester -	8 4	7 4	8 4
" "	Gorton -	12 0	6 5	7 10
" "	Great Bridge -	2 1	2 1	2 2
" "	Hull -	15 10	9 8	9 6
" "	Hyde Junction -	11 8	6 5	7 11
" "	Heywood -	14 2	6 11	8 2
" "	Liverpool -	12 6	7 2	8 3
" "	London -	15 0	9 1	9 3
" "	Leeds -	14 2	8 4	8 10
" "	Manchester -	12 0	6 6	7 11
" "	Newton -	11 8	6 5	7 11
" "	Norwich -	11 6	4 1	6 11
" "	Oakengates -	6 8	4 0	5 6
" "	Oldham -	12 6	6 11	8 2
" "	Sheffield -	12 6	8 4	8 10
" "	Spon Lane -	2 6	2 2	2 4
" "	Smethwick -	2 8	2 4	2 4
" "	Soho -	2 10	2 5	2 5
" "	St. Helens -	12 0	6 6	7 11
" "	Sowerby Bridge -	14 2	7 11	8 8
" "	Wolverhampton -	2 0	1 11	2 0

PLATES AND BARS (Undamageable).

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Spring Vale Siding	Bristol -	10 0	10 8	7 2
" "	Bath -	11 8	10 1	7 0
" "	Banbury -	10 10	4 11	5 6
" "	Cradley -	3 6	2 6	2 6
" "	Chepstow -	8 4	7 11	6 7
" "	Cheltenham -	7 6	5 1	5 7

PLATES AND BARS (Undamageable)—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Spring Vale Siding	Dudley -	2 0	2 1	2 0
" "	Didcot -	15 0	7 0	6 4
" "	Halesowen -	3 6	2 6	2 6
" "	Hereford -	10 0	5 2	5 8
" "	Kidderminster -	4 5	2 10	2 11
" "	Lye -	3 6	2 7	2 6
" "	Netherton -	3 4	2 4	2 2
" "	Prince's End -	1 10	2 1	2 0
" "	Round Oak -	3 4	2 5	2 3
" "	Swan Village -	2 0	2 0	2 0
" "	Stourbridge -	3 6	2 7	2 6
" "	Swindon -	11 8	8 5	6 8
" "	Tipton -	1 9	2 1	2 0
" "	West Bromwich -	2 3	2 1	2 0
" "	Wednesbury -	2 1	1 11	1 10
" "	Worcester -	4 2	3 10	4 2

TIN PLATE BARS.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Brymbo Works -	Glasgow -	18 0	14 2	7 4
" -	Redbrook -	9 2	7 6	5 10
" -	Mold (two days weekly).	3 0	1 6	1 7
" -	Mold (other route)	5 6	2 0	2 3

SCRAP IRON.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Middlesbro' -	Brymbo Works -	16 4	—	—
Saltney -	" -	2 3	1 6	1 6

SLACK.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Plaspower -	Brymbo Works -	0 6	0 11	0 7
Wrexham -	" -	1 3	0 11	0 9

FORGE CINDERS.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Wombridge -	Brymbo Works -	3 6	—	—
Hollinswood -	" -	3 6	—	—
Warrington -	" -	3 9	2 5	2 7

BLOOMS AND BILLETS.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Spring Vale Siding	Bristol -	9 1	6 6	6 4
" "	Bath -	10 1	6 2	6 2
" "	Banbury -	6 5	3 1	4 8

BLOOMS AND BILLETS—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Spring Vale Siding	Cradley - -	3 4	1 5	1 8
" "	Chepstow - -	8 3	4 10	5 9
" "	Cheltenham - -	—	—	—
" "	Dudley - -	1 8	1 0	1 2
" "	Didcot - -	10 1	4 2	5 6
" "	Halesowen - -	3 4	1 5	1 8
" "	Hereford - -	7 8	3 5	4 10
" "	Kidderminster - -	3 8	1 7	2 1
" "	Lye - -	3 4	1 5	1 9
" "	Netherton - -	3 1	1 2	1 4
" "	Prince's End - -	1 6	1 0	1 2
" "	Round Oak - -	3 1	1 2	1 5
" "	Swan Village - -	1 8	1 0	1 2
" "	Stourbridge - -	3 4	1 5	1 9
" "	Swindon - -	11 8	5 1	5 10
" "	Tipton - -	1 4	1 0	1 2
" "	West Bromwich - -	2 0	1 0	1 2
" "	Wednesbury - -	1 9	0 11	1 0
" "	Worcester- -	3 10	2 4	3 4

STEEL BLOOMS.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Brymbo Works -	Wolverhampton -	5 8	3 5	5 0
" -	Bilston - -	5 8	3 6	5 1
" -	Tipton - -	5 8	3 7	5 2

STEEL BLOOMS—continued.

From	To	British.	German.	Belgian.
		Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Brymbo Works -	Dudley - -	5 8	3 8	5 2
" -	Wednesbury - -	5 8	3 7	5 2
" -	Swan Village - -	5 8	3 8	5 2
" -	West Bromwich - -	5 8	4 8	5 3
" -	Handsworth - -	5 8	3 10	5 3
" -	Oldbury - -	5 8	3 10	5 3
" -	Birmingham - -	5 8	3 10	5 4
" -	Netherton - -	5 8	3 8	5 3
" -	Round Oak - -	5 8	3 8	5 3
" -	Brettel Lane - -	5 8	3 10	5 3
" -	Stourbridge - -	5 8	3 11	5 4
" -	Willenhall - -	6 7	3 7	5 2
" -	Glasgow - -	17 0	9 4	7 4
" -	Stourport - -	6 1	3 8	5 3
" -	Queensferry - -	3 7	1 8	2 4
" -	Manchester - -	6 11	3 2	4 9
" -	Pantyllyn - -	10 3	7 8	6 9
" -	Pontypool - -	9 4	5 5	5 11
" -	Redbrook - -	8 3	5 1	5 10
" -	Swansea - -	10 7	7 1	6 7
" -	Willington - -	4 11	2 8	4 2
" -	Warrington - -	4 8	2 5	3 6
" -	Birkenhead - -	4 8	2 2	3 3
" -	Liverpool - -	6 0	2 4	3 4
" -	Sheffield - -	8 6	4 7	5 7
" -	Walsall - -	6 1	3 8	5 3
" -	Staleybridge - -	7 5	3 6	5 1
" -	Mold - -	2 9	1 4	1 7

APPENDIX H.

Board of Trade,  
(Commercial Department),  
London, S.W.,  
1st September 1886.

SIR,  
I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 6th ultimo, asking to be supplied with figures for the use of the Royal Commission on the Depression of Trade and Industry which show the progress of the chief textile industries of France, Germany, and the United States, together with the number of persons employed therein.

In reply, I am to forward to you the three statements enclosed (1) relating to the progress of the textile industries of France for each year from 1872 to 1882 inclusive; (2) relating to the textile industries of the United States for the census years 1850, 1860, 1870, and 1880. With regard

to both the above countries, the Board of Trade are unable to give figures for the precise years for which you ask in your letter, viz., 1865, 1870, 1875, and 1884.

With regard to Germany, I am to enclose (3) statements for the years 1875 and 1882, together with a comparative statement in which an attempt has been made to show the progress of the textile industries of that country. The result, however, brings to light so many discrepancies that the Board of Trade would particularly draw your attention to the note at the foot of each of the tables for Germany, in which it is stated that the figures given are taken from the German "Statistisches Jahrbuch," but that there are apparent discrepancies which the Board of Trade have no means of clearing up.

I have, &c.  
(Signed) R. GIFFEN.

G. H. Murray, Esq.

STATEMENT showing the quantities of Raw Cotton and Raw Wool imported for Home Consumption into France and Germany, and retained for Home Consumption in the United States, in each of the years 1856, 1866, 1876, and 1884.

			1856.	1866.	1876	1884.
			lbs.	lbs.	lbs.	lbs.
France	-	Cotton raw	185,645,000	264,559,000	347,921,000	271,361,000
		Wool raw	87,792,000	190,119,000	271,484,000	365,767,000
Germany	-	Cotton raw	No returns.	No returns.	372,476,000	391,430,000
		Wool raw	Do.	Do.	143,260,000	232,962,000
United States*	(Years ended 30th June)	Cotton raw	272,573,000	396,323,000	668,780,000	900,637,000
		Wool raw	No data.	229,707,000	235,020,000	376,036,000

\* Production and importation of cotton and wool, less exports.

UNITED STATES.—TEXTILE INDUSTRIES.

STATE of the SILK MANUFACTURES of the UNITED STATES as shown by the Census returns of that country.

Years.	Establishments.	Machines.						Hands employed.	Capital.	Wages.	Value of Materials used.	Value of Products.
		Braiders.	Looms.	Hand Looms.	Spindles.	Spoolers.	Winders.					
1850	67	—	—	—	—	—	—	1,723	Dollars. 678,300	Dollars. 297,416	Dollars. 1,003,860	Dollars. 1,806,476
1860	139	—	—	—	—	—	—	5,435	2,926,980	1,050,224	3,901,777	6,607,771
1870	86	30	1,251	188	12,040	2,427	3,038	6,649	6,231,130	1,942,286	7,817,559	12,210,662
1880	382	81,607	5,321	3,153	262,312	—	164,218	31,337	19,125,300	9,146,705	18,569,166	34,519,723

In 1880 it was estimated that the value of machinery was 5,227,500 dollars, and of buildings, 3,836,600 dollars.

STATE of the WOOLLEN MANUFACTURES of the UNITED STATES as shown by the Census returns of that country  
(1.) WOOLLEN GOODS.

Years.	Establishments.	Capital.	Machines.			Looms.	Knitting and Sewing Machines.	Spindles.	Hands employed.	Wages.	Value of Materials used.	Value of Products
			Card Sets.	Foreign Combing Machines.	American Combing Machines.							
1860	1,260	Dollars. 30,862,654	3,209	—	—	—	—	—	41,360	Dollars. 9,808,254	Dollars. 36,586,887	Dollars. 61,895,217
1870	2,891	98,824,531	8,366	—	—	34,183	—	1,845,496	80,053	26,877,575	96,482,601	155,405,358
1880	1,980	96,095,564	5,961	48	24	35,634	727	1,756,746	86,504	25,836,392	100,845,611	160,806,721

## (2.) WORSTED GOODS.

Years.	Establishments.	Capital.	Machines.			Looms.	Sewing Machines.	Spindles.	Hands employed.	Wages.	Value of Materials used.	Value of Products.
			Card Sets.	Foreign Combing Machines.	American Combing Machines.							
1860 - -	3	Dollars. 3,230,000	110	—	—	—	—	—	2,378	Dollars. 543,684	Dollars. 2,442,775	Dollars. 3,701,378
1870 - -	102	10,085,778	98	66	95	6,128	—	200,617	12,920	4,368,857	14,306,198	22,090,331
1880 - -	76	20,374,043	259	269	19	14,411	57	240,118	18,809	5,983,027	22,013,028	33,540,942

## (3.) FELT GOODS.

Year.	Estab- lish- ments.	Capital.	Machines.	Hands employed.	Wages.	Value of Materials used.	Value of Products.
			Card Sets.				
1880 - - -	26	Dollars. 1,958,254	122	1,524	Dollars. 439,760	Dollars. 2,530,710	Dollars. 3,619,652

STATE of the WOOLLEN MANUFACTURES of the UNITED STATES as shown by the Census returns of that country.

## (4.) WOOL HATS.

Year.	Establishments.	Capital.	Machines.		Hands employed.	Wages.	Value of Materials used.	Value of Products.
			Card Sets.	Sewing Machines.				
1880 - - -	43	Dollars. 3,615,830	362	325	5,470	Dollars. 1,893,215	Dollars. 4,785,774	Dollars. 8,516,569

## (5.) CARPETS.

Years.	Establishments.	Capital.	Machines.			Looms.	Sewing Machines.	Spindles.	Hands employed.	Wages.	Value of Materials used.	Value of Products.
			Card Sets.	Foreign Combing Machines.	American Combing Machines.							
1860 - -	213	Dollars. 4,721,768	—	—	—	—	—	—	6,681	Dollars. 1,546,692	Dollars. 4,417,996	Dollars. 7,857,636
1870 - -	215	12,540,750	241	100		5,426	—	—	12,068	4,681,718	13,577,993	21,761,573
1880 - -	195	21,463,587	285	64	91	7,252	11	115,109	20,371	6,835,218	18,984,877	31,792,802

## (6.) HOSIERY AND KNIT GOODS.

Years.	Establishments.	Capital.	Machines.		Looms.	Knitting and Sewing Machines.	Spindles.	Hands employed	Wages.	Value of Materials used.	Value of Products.
				Foreign Combing Machines.							
		Dollars.							Dollars.	Dollars.	Dollars.
1830 - -	197	4,035,510	—	—	—	—	—	9,103	1,661,972	3,202,317	7,280,606
1870 - -	248	10,931,260	519	—	438	7,293	148,385	14,788	4,429,085	9,835,823	18,411,564
1880 - -	359	15,579,591	592	3	1,964	17,228	143,023	28,885	6,701,475	15,210,951	29,167,227

STATE of the COTTON MANUFACTURES of the UNITED STATES as shown by the Census returns of that country.

Years.	Establishments.	Capital.	Number of Spindles.	Number of Looms.	Hands employed.	Wages.	Cotton consumed.		Value of Materials used.	Value of Products.
							Bales.	Value.		
1850	-	Dollars. 1,074 76,032,578	—	—	97,936	Dollars. 17,267,112	—	—	Dollars. 37,778,064	Dollars. 65,501,687
1860	-	1,091 98,585,269	5,235,727	120,813	122,028	23,940,108	—	—	57,285,534	115,681,774
1870	-	953 140,706,291	7,132,415	157,310	135,369	39,044,132	—	—	111,736,936	177,489,739
1880	Pure	756 208,280,346	10,053,435	225,759	172,544	42,040,510	—	—	102,206,347	192,080,110
	Mixed	240 11,224,448	60,242	4,025	12,928	3,573,909	40,597	2,338,385	—	18,860,273
	Total	1,005 219,504,794	10,713,677	229,784	185,472	45,614,419	—	—	—	210,950,383

WOOLLEN MANUFACTURES.

Extract from Census Report, 1880.

The accompanying tables embrace the statistics (1) of the manufacture of wool alone, or of wool mixed with other materials, by the use of wool carding machinery; (2) of the manufacture of the same by the combing process, known as the worsted manufacture; (3) of the manufacture of textile fabrics by the felting process; (4) of the manufacture of wool hats; (5) of the manufacture of carpets; (6) of the manufacture of hosiery and other knit goods of wool or other materials.

The number of establishments reported in all these industries is 2,689, viz., on woollen goods 1,990; on felted

fabrics, which in 1870 were reported with the woollen goods, 26; on worsted goods, 76; on carpets, 195; on wool hats, 43; and on hosiery and knit goods, 359.

In 1870 returns were given from 2,891 woollen mills. For 1880 the returns as before stated were only 2,016 mills on woollen and felt goods.

After diligent search there were found 814 establishments, almost all of which were reported in 1870, that were either out of existence, or for some cause were not running during the census year of 1880.

FRANCE.

PROGRESS of the WOOL INDUSTRY of FRANCE.

Years.	Number of Factories.	Number of Persons employed.	Number of Spindles.	Number of Looms.		Quantity of Raw Wool Imported and Entered for Home Consumption.
				Machine.	Hand.	
1872	—	—	2,899,894	—	—	Lbs. 237,727,848
1873	—	—	2,898,920	23,725	—	265,681,180
1874	—	—	2,955,139	27,557	—	258,046,012
1875	2,270	95,779	2,960,522	30,114	56,905	282,134,040
1876	2,069	110,954	2,946,032	38,267	62,230	271,481,312
1877	2,198	108,040	3,007,351	28,188	54,434	295,853,940
1878	2,306	105,839	2,995,406	30,139	41,003	317,596,400
1879	2,200	106,080	3,022,777	35,274	42,934	295,807,656
1880	1,926	110,904	3,037,837	41,044	37,632	332,951,668
1881	1,915	111,523	3,067,459	41,466	37,140	304,883,728
1882	1,915	113,220	3,063,961	44,516	37,127	310,726,532

NOTE.—The above statement is taken from the "Annuaire Statistique de la France" in each year from 1872 to 1882, that being the last year published.

PROGRESS of the FLAX and JUTE INDUSTRY of FRANCE.

Years.	Number of Factories.	Number of Persons employed.	Number of Spindles.	Number of Looms.	
				Machine.	Hands.
1872	—	—	724,422	—	—
1873	—	—	716,490	16,808	—
1874	—	—	718,982	23,036	—
1875	699	62,065	730,241	23,701	54,611
1876	618	55,108	731,243	24,646	42,806
1877	543	54,912	762,047	18,823	40,472
1878	559	58,758	781,643	18,466	36,027
1879	584	57,832	738,619	18,221	35,144
1880	592	60,585	740,480	18,291	29,051
1881	565	58,467	672,823	17,619	28,892
1882	559	64,604	679,274	18,821	28,311

NOTE.—The above statement is taken from the "Annuaire Statistique de la France" in each year from 1872 to 1882, that being the last year published.

PROGRESS of the MANUFACTURE of THROWN SILK (Soie grège).

Years.	Number of Factories.	Number of Persons employed.	Number of Spindles, &c.	Number of Kettles.*
1875	1,738	72,089	620,835	24,830
1876	1,440	57,702	1,121,729	27,367
1877	1,384	52,898	1,128,216	20,557
1878	1,317	43,868	1,064,100	18,420
1879	1,370	47,743	1,105,465	19,216
1880	1,503	50,307	1,213,574	12,450
1881	1,385	45,488	1,510,898	18,628
1882	1,424	46,282	1,606,355	17,894

\* Used for boiling cocoons.

NOTE.—The above statement is taken from the "Annuaire Statistique de la France" in each year from 1875 to 1882, that being the last year published.

PROGRESS of the MANUFACTURE of TISSUES of SILK, Pure and Mixed.

Years.	Number of Factories.	Number of Persons employed.	Number of Spindles.	Number of Looms.	
				Machine.	Hand.
1875	1,172	43,437	1,030,617	43,066	133,646
1876	1,834	79,944	991,110	46,981	86,450
1877	1,350	86,527	982,735	46,586	80,256
1878	1,178	99,698	1,032,450	46,169	79,935
1879	1,210	101,117	1,086,782	46,661	80,178
1880	1,120	98,888	1,064,328	45,975	81,433
1881	1,081	99,254	1,073,132	46,605	81,702
1882	1,220	67,068	1,071,382	41,919	62,542

NOTE.—The above statement is taken from the "Annuaire Statistique de la France" in each year from 1875 to 1882, that being the last year published.

## PROGRESS of the COTTON INDUSTRY of FRANCE.

Years	Number of Factories.	Number of Persons employed.	Number of Spindles.	Number of Looms.		Quantity of Raw Cotton Imported and Entered for Home Consumption.
				Machine.	Hand.	
1872 -	—	—	5,010,914	—	—	lbs. 294,398,196
1873 -	—	—	4,918,715	62,537	—	191,969,584
1874 -	—	—	4,941,095	53,923	—	204,293,508
1875 -	1,063	114,259	4,922,475	56,446	78,037	208,769,332
1876 -	1,163	117,109	4,875,324	51,184	94,892	347,921,236
1877 -	1,061	99,625	4,800,020	59,409	67,556	295,684,396
1878 -	958	97,088	4,875,324	62,150	50,578	295,413,140
1879 -	906	95,189	4,878,304	63,348	48,961	298,760,140
1880 -	913	97,833	4,942,788	65,927	47,312	288,961,868
1881 -	964	102,181	4,836,553	73,590	39,710	335,966,740
1882 -	1,065	107,949	4,927,624	74,965	39,719	310,768,408

NOTE.—The above statement is taken from the "Annuaire Statistique de la France" in each year from 1872 to 1882, that being the last year published.

## GERMANY.

## STATE of the TEXTILE INDUSTRIES on 1st December 1875.

Nature of Industry.	No. of Factories.	No. of Persons employed.
Silk spinning and tissue making		
Drying, &c. - - - -	3	133
Thread, &c. - - - -	2,463	5,542
Silk and silk shoddy spinning - -	162	4,738
Tissue and ribbon making - -	32,982	63,992
Dyeing and printing - - -	200	2,919
Wool and hair spinning and tissue making:		
Preparing wool - - - -	1,037	4,096
Carded yard and Vicuna wool spinning	10,533	88,279
Worsted yarn spinning - - -	2,350	28,772
Shoddy making - - - -	129	4,776
Woollen tissue making - - -	20,677	55,138
Dyeing, printing, &c. - - -	2,602	12,007
Flax, hemp, jute, &c. spinning and tissue making:		
Preparing flax - - - -	7	108
Flax preparing and spinning - -	12,165	32,534
Linen making - - - -	124,830	164,085
Jute tissue making - - - -	17	2,756
Bleaching, dyeing, printing, &c. -	590	3,482
Cotton spinning and tissue making:		
Spinning, thread making, &c. - -	1,597	66,675
Tissue making - - - -	97,588	203,489
Bleaching, dyeing, printing, &c. -	908	20,277
Tissue making (mixed cotton) - -	4,466	6,386
Bleaching, dyeing, &c. (all others) - -	8,343	22,226
Tissue making, India-rubber, hair, &c. -	987	2,659
Weaving, knitting, crocheting, embroidering, &c.:		
Haberdashery, hosiery, &c. - -	36,797	60,957
Crocheting and embroidering - -	3,320	3,769
Dressing hosiery and knitted wares -	3,150	3,701
Lace making - - - -	6,311	13,002
Washing, bleaching and dressing lace, &c. -	17	77
Fringe, &c. making - - - -	5,396	17,722
Rope making - - - -	9,601	16,252
Sacking, sail and net making, &c. - -	1,544	2,663
Bunting making - - - -	1	157
Sewing and knitting threads - - -	10	122
Tissue making (stuffs not distinguished) -	2,127	2,746
Spinning do. do. - - - -	9,964	9,930
Total - - - -	403,024	926,767

NOTE.—The above statement is taken from the "Statistisches Jahrbuch für das Deutsche Reich" for the year 1880. It is to be remarked, however, that it shows several discrepancies on the face of it, which the Board of Trade have no means of clearing up.

## GERMANY.

## STATE of the TEXTILE INDUSTRIES on 5th June 1882.

Nature of Industry.	Number of Factories.			No. of Persons employed in the large Factories only.
	Large.	Minor.	Total.	
Spinning stuffs, preparation of:				
Silk drying, &c. - - -	4	—	4	58
Wool preparing - - - -	1,025	329	1,354	5,798
Flax - - - -	200	352	552	1,162
Spinning:				
Silk thread, &c. - - -	420	81	501	1,074
Silk and silk shoddy spinning -	3,204	239	3,443	9,408
Wool spinning - - - -	5,181	678	5,859	47,347
Vicuna wool - - - -	99	6	105	6,158
Shoddy - - - -	173	6	179	8,354
Flax and hemp - - - -	7,256	1,531	8,787	25,095
Cotton - - - -	5,842	909	6,751	61,140
Spinning other stuffs - - -	166	32	198	3,510
Spinning (stuffs not distinguished).	600	202	802	630
Tissue and ribbon making:				
Silk tissues - - - -	40,041	1,050	41,091	76,264
Woollen tissues - - - -	26,026	2,175	28,201	106,007
Linen " - - - -	72,302	29,266	101,558	103,808
Jute " - - - -	160	11	171	2,050
Cotton " - - - -	48,940	7,268	56,217	125,591
Other " - - - -	22,211	2,979	25,190	73,750
Tissue making (stuffs not distinguished).	1,910	898	2,808	2,326
India-rubber and hair plaiting and weaving.	954	166	1,120	2,792
Knitting and weaving - - -	41,934	5,583	47,517	73,829
Crocheting, embroidery and lace making:				
Crocheting and embroidering -	7,154	1,725	8,879	10,327
Lace making and nupery - -	18,368	2,263	20,631	25,639
Bleaching, dyeing, printing, and dressing:				
Silk dyeing, printing and dressing.	235	13	248	3,293
Wool dyeing, printing and dressing.	2,424	254	2,678	20,611
Linen and jute bleaching and dressing.	788	199	987	3,954
Cotton bleaching and dressing	1,162	119	1,281	23,345
Dressing knitted wares and hosiery.	4,847	713	5,560	7,936
Lace washing, bleaching, &c. -	416	47	463	781
Miscellaneous bleaching, &c. -	5,916	484	6,400	26,431
Fringe, &c. making - - - -	15,252	1,564	16,816	31,004
Rope and sail making:				
Rope making - - - -	8,371	833	9,204	16,405
Nets, bags and sail making -	802	117	919	2,215
Total - - - -	344,482	62,092	406,574	910,009

NOTE.—The above statement is taken from the "Statistisches Jahrbuch für das Deutsche Reich" for the year 1880. It is to be remarked, however, that it shows several discrepancies on the face of it, which the Board of Trade have no means of clearing up.



TEXTILE INDUSTRIES.

Nature of Industry.	1875.	1882.			1875.	1882.
	Total Number of Factories.	Number of Factories.			Total Number of Persons employed.	Number of Persons em- ployed in large factories only.
		Large.	Minor.	Total.		
Spinning stuffs, preparation of :						
Silk drying, &c. - - - - -	3	4	—	4	133	55
Wool preparing - - - - -	1,087	1,025	329	1,354	4,696	5,798
Flax „ - - - - -	7	200	352	552	108	1,162
Spinning :						
Silk thread, &c. - - - - -	2,463	420	81	501	5,542	1,074
Silk and silk shoddy spinning - - - - -	162	3,304	239	3,443	4,738	9,408
Wool spinning - - - - -	12,883	5,280	684	5,964	117,061	53,505
Shoddy spinning - - - - -	129	173	6	179	4,770	8,354
Flax and hemp spinning - - - - -	12,165	7,256	1,531	8,787	32,534	25,095
Cotton spinning - - - - -	1,597	5,842	909	6,751	66,675	61,140
Spinning other stuffs - - - - -	—	168	32	198	—	3,510
Spinning (stuffs not distinguished) - - - - -	9,964	600	202	802	9,930	630
Tissue and ribbon making :						
Silk tissues - - - - -	32,982	40,041	1,050	41,091	63,962	76,264
Woollen „ - - - - -	20,677	26,028	2,175	28,201	55,138	108,007
Linen „ - - - - -	124,830	72,392	29,266	101,658	164,085	103,806
Jute „ - - - - -	17	160	11	171	2,756	2,050
Cotton „ - - - - -	97,588	48,940	7,268	56,217	203,489	125,591
Other „ - - - - -	4,466	22,211	2,979	25,190	6,386	73,750
Tissue making (stuffs not distinguished) - - - - -	2,127	1,910	896	2,806	2,746	2,326
India-rubber, hair plaiting and weaving - - - - -	987	964	166	1,130	2,659	2,762
Knitting and weaving - - - - -	36,797	41,934	5,583	47,517	60,957	73,829
Crocheting, embroidering and lace making :						
Crocheting and embroidering - - - - -	3,320	7,154	1,725	8,879	3,769	10,327
Lace making and napery - - - - -	6,311	18,368	2,263	20,631	13,002	25,639
Bleaching, dyeing, printing, and dressing :						
Silk dyeing, printing and dressing - - - - -	200	235	13	248	2,919	3,292
Wool „ „ „ - - - - -	2,602	2,424	254	2,678	12,007	20,611
Linen and jute dyeing, printing and dressing - - - - -	590	788	199	987	3,482	3,954
Cotton dyeing, printing, and dressing - - - - -	968	1,162	119	1,281	20,277	23,345
Dressing knitted wares and hosiery - - - - -	3,150	4,847	713	5,560	3,701	7,936
Luce washing, bleaching, &c. - - - - -	17	416	47	463	77	781
Miscellaneous bleaching, &c. - - - - -	8,343	5,916	484	6,400	22,226	26,431
Fringe, &c. making - - - - -	5,396	15,252	1,564	16,816	17,722	31,004
Rope and sail making :						
Rope making - - - - -	9,691	8,371	833	9,204	16,252	16,405
Nets, bags and sail making - - - - -	1,544	802	117	919	2,063	2,215
Miscellaneous :						
Bunting making - - - - -	1	—	—	—	157	—
Sewing and knitting threads - - - - -	10	—	—	—	122	—
Total - - - - -	403,024	314,482	62,082	406,574	926,767	910,009

NOTE.—The figures in the above statement are taken from the “Statistisches Jahrbuch für das Deutsche Reich” (1880 and 1886), and a comparison has been instituted as far as has been found possible. It shows several discrepancies on the face of it, which the Board of Trade have no means of clearing up.

## APPENDIX K.

MEMORANDUM BY MR. ARTHUR O'CONNOR, M.P.

ROUGH DRAFT of OBSERVATIONS on the EVIDENCE submitted to the Commissioners, being as nearly as possible a textual reproduction of the words of the witnesses quoted.

## I.—Depression.

Questions. The evidence, taken as a whole, does not furnish anything like a concurrence of testimony in support of the existence of a general depression of trade and industry. But it appears established that there is in certain industries a contraction in the volume of production, a reduction in the value, and a diminution of profits.

Thus (a) in the Tweed industry of the South of Scotland.

4602-3. This is in great part ascribed to a change of fashion from woollen to worsted goods, in part to the competition of French and German manufacturers, who, though they do not obtain their raw material at lower cost, yet sell their goods cheaper;

5051-2. (b) in the cotton spinning industry it would appear that a larger number of persons than usual are unemployed, and the employers are making little or no profit;

1153-9. (c) in Sheffield, again, owing to what the witnesses call depression, there has been since 1875, and there is now, much want of employment, and wages are reduced; this latter feature being partly at least due to the displacement of hand labour by the introduction of machinery, while the loss of the rail trade is ascribed to foreign tariffs and foreign competition, and the glass cutting trade is suffering in consequence of the competition of the Germans;

1160-3. (d) fourthly, a witness from Belfast alleges that he does not remember trade in all its branches to have been so much depressed during the last 15 years as it is at present; but he adds that there appears to be an abundance of everything, including money; that everything is cheap; that there is close competition in everything, with little or no profit.

On the other hand, there are not wanting witnesses who deny that there is any remarkable depression.

5325. Thus, even the representative of the Amalgamated Society of Cotton Spinners considered that the present depression is not greater than he has seen on many occasions during the last 30 years; that the circumstances of to-day are not exceptional; that much of the talk about depression at present is mere talk, the result of a habit of talking about losing money whether things are good or bad.

3830. A very competent witness from Bradford states that the trades and industries of that town are not nearly so depressed as they were two or three years ago; that new industries have been introduced; that a very large increase has taken place in the spinning and yarn business, both for home consumption and for export; and that on an improved demand from America an active business is doing with that country.

6980. Similarly, Sir Jacob Behrens testified that there was no depression in Bradford; he demurred to the expression that "all the trades of Lancashire were calling out;" expressed an opinion that the period from 1880 to 1884 was one of improvement as compared with the preceding period; and believed that 1886 would not prove a bad year.

4605-8. A witness (interested in woollen goods) from Selkirk had insisted that there is never a good trade in the woollen business when raw material is cheap; but Sir J. Behrens ascribes the satisfactory condition of the Bradford trade to cheap wool, and says that the cheapness of wool enables woollen articles to gain on cotton articles, even though the export of cotton articles is increasing. He explains that the success of Bradford is due to the fact that the manufacturers there adapt themselves to the market.

930-3 et seq. Neither is there in this country anything exceptional when we compare it with continental countries, as France, Germany, Belgium, &c., though in the commercial race some industries are doing less well than others, as silk and building in France, iron in Belgium, &c.

Mr. Robert Giffen prefers to take "depression" subjectively, as he terms it, and regard it as denoting the state of mind of persons engaged in business.

He points out that the volume of business of the leading trades in the country has increased during the last 20 years, and in recent years, as well as during the first years of the 20, at a greater rate than the increase of population.

Thus, the average annual output of coal has increased from 103,000,000 tons in 1865-9 to 156,000,000 tons in 1880-4, or from 3.39 to 4.43 tons per head of population.

Pig iron from 4,900,000 tons in 1865-9 to 8,100,000 tons in 1884, or from 0.16 to 0.23 tons per head of population.

Raw cotton consumed has increased from 8,000,000 cwts. per annum in 1865-9 to 13,200,000 cwts. per annum in 1880-4.

Shipbuilding from 339,000 tons in 1865-9 to 567,000 tons in 1880-4; the amount received by railways for goods traffic has increased from 21,000,000l. annually in 1865-9 to 37,000,000l. annually in 1880-4.

Or, to look at things from another point, but still comparing the period of 1865-9 with that of 1880-4, there has been among imports—

- (1.) Of raw cotton an increase in quantity of 39 per cent. although the value has decreased - 27½ "
- (2.) Of wool an increase in quantity of - 104 " and an increase in value of - 67 "
- (3.) Of wheat an increase in quantity of - 93 " and an increase in value of - 65 "

And among exports—

- (4.) Of cotton yarn an increase in quantity of - 65 " and an increase in value of - 3.5 "
- (5.) Of cotton pieces (plain) an increase in quantity of - 76 " and an increase in value of - 9 "
- (6.) Of cotton pieces (printed) an increase in quantity of - 57 " and an increase in value of - 8.5 "
- (7.) Of pig iron an increase in quantity of - 163 " and an increase in value of - 153 "

This lower rate of increase in values, as compared with the rate of increase in quantities, accords with the evidence submitted by Sir J. Caird, viz., that whilst the fall in prices of all kinds of food up to 1885 was 25 per cent.; the fall in iron, copper, tin, lead, and coals was 35 per cent.; in textiles, cotton, flax, hemp, wool, and silk was 32 per cent., and in sundry materials, hides, leather, indigo, &c. was 26 per cent.; and, therefore, that all these great interests, as well as agriculture, are alike affected by one cause—the fall in prices.

That this is at least not an unmixed evil appears from the evidence of the Oldham cotton spinners, who considered that their industry had not suffered from any depression in other trades; but that, on the contrary, the effect had rather been the other way, inasmuch as it had enabled them to obtain at less cost their machinery, oil, coal, &c.

Finally, it would appear from the experience of bankers and bankruptcy official receivers throughout the country that there has been a very substantial diminution of insolvency, not only as tested by the operation of the new Bankruptcy Act, but also actually. This agrees with the opinion expressed by Mr. R. Giffen in reply to Question 128.

## II.—Agriculture.

Such general depression as exists has its origin in the decline of agricultural prosperity.

One witness assigns the difficulties which exist in Sheffield to the depression in agriculture, and says that when the agricultural interest is depressed the manufacturing element is always necessarily depressed in proportion.

Another witness from Selkirk attributes the depression in the woollen industry in a marked degree to agricultural depression.

Questions.

86.

25.

26.

27.

36.

51.

68.

7780.

4570.

4571.

p. 12, 3rd  
Report of  
the Board  
of Trade on  
Bank-  
ruptcy.

1363-4.

4765-8.

7452. A third from Macclesfield, in like manner, said that the depression began with agriculture, and afterwards extended to other branches of industry.
8372. A fourth pointed out that the loss sustained by the agriculturist in Ireland diminished the purchasing power so much as to affect the whole community, and especially the traders in the small towns.
7778. Sir James Caird attributes the present depression in agriculture in the United Kingdom to the extension of American farming, consequent upon a continuous falling of crops on this side of the Atlantic for a series of years; to the extension of American railways, the cheapening of transport, and the introduction of immense supplies beyond the consuming power of this country, even at the lower prices which that very supply brought about.
7779. The reduction in the cost of transport is such that the carriage of wheat from Australia or India or the Western States of America has sunk to 1s. a bushel.
7776. Moreover, the extension of wheat growing westwards in America, where the wheat growing land is practically unlimited, does not materially increase cost of carriage.
7881. Sir James Caird further regards it as probable that in the near future the Americans will, to a great extent, get over the difficulty of transport in respect of meat, cheese, and butter, and that this kind of produce will be brought over at lessening prices, just as corn has already been. The result of these changes in the supply of agricultural commodities is established by a multiplicity of witnesses.
9904. Thus Mr. Harris intimates that the agricultural tenants of England have during the last nine years lost one third of their capital.
8664. The loss would appear to have been more severe during the last two years, especially in Northumberland, owing to the fall in the price of wool, and also in the wheat growing districts and on soils difficult to cultivate; so much so that tenants of small holdings of 8, 10, or 12 acres in Northumberland have, in many instances, had to apply for parochial relief.
8692. It is stated that, speaking generally, there is scarcely a farmer in the country who, by reason of the reduction in the value of animals and stock in general, is not, taking his capital into account, 40 per cent. poorer than he was 12 years ago.
8810. At present the tenants are not making anything, but are losing.
8809. The capital of the farmer is gradually going, his stock, his horses, and his cattle diminishing.
9381. The cultivation of the land is seriously deteriorating.
9380. And this is not confined to inferior lands, for there is land unlet in England and going out of cultivation, which, if properly cultivated, would grow large crops of corn.
9907. In Ireland, also, land has been thrown out of cultivation, or allowed to grow grass and weeds, that is, allowed to run to such natural grass as it will grow. The area under oats has decreased in 10 years by 170,000 acres, and the area under potatoes by 100,000 acres.
8377. Mr. Martin, from the island of Ely, says that, in the exceptional years we have lately been having, arable farming cannot be carried on at a profit even if there be no rent to be paid and that under rent it cannot be carried on without loss.
8975. Mr. Rowlandson, from Durham, says that an inferior, or even average farm, cannot be carried on now without loss, even without paying rent.
8976. Similarly Mr. Harris, from Devonshire, says with regard to the general run of tillage land in England a man cannot farm an ordinary tillage farm on the ordinary lines of farming, even if rent-free, without loss.
9347. If the present system continues, and farmers pay rent for another three or four years out of capital, their capital will be gone altogether.
- 9908-9. Sir James Caird says that he thinks it very probable that in some cases in Northumberland the rent has come entirely out of tenant's capital.
9914. A Northumberland witness states, that when tenants under a lease have been compelled to pay the full rent during the last eight or nine years, they are in the way of being ruined; that where an abatement of 25 per cent. has been allowed by the landlords the tenants have been able to hold on somehow or other, but the land has not been properly cultivated.
- 7743-7. Also that where the farms are held from year to year during the last year or two there has been an abatement of from 10 to 15 per cent., but that the tenants want as much more again, and that this year and last year are worse than the previous years.
8663. Speaking generally for the last few years, the tenant has been paying portion at least of the rent out of capital, and during the last year from 15 to 20 per cent.
8666. A witness from the Isle of Ely says, that in three out of the last five years he has paid his rent entirely out of capital, and though during the rest of that period the rent was not paid out of capital, yet he himself made no profit; that during the last two years his rent was taken entirely from capital.
8979. Sir James Caird, speaking of the possibility of continued wheat growing here, says, that it may still be grown at a profit at 36s. a quarter on good land, but only with a reduction of rent.
7777. But even good seasons would not be enough to secure the farmer without a re-arrangement of rent.
7820. Even at reduced rents wheat could be grown at a profit only on good land.
- 7908-26. That in face of a fall from 56s. to 36s. in the price of wheat there must be a reduction in rent.
9723. But the depression in agriculture is especially felt in Ireland, because agriculture is there the only great industry, and the whole of Ireland is dependent upon its agricultural prosperity.
8562. The condition of farmers in Ireland is one of great depression extending to all classes, but particularly the small farmers during the last five or six years. The small farmers are the great majority; the farmers of more than 100 acres not numbering more than 10 per cent. of the total, but the larger classes of farmers have also been severely bit during last two years, and especially last year.
8567. There is this great difference between the farming classes in Ireland and the same class in England, viz., that in Ireland the great majority of small farmers cannot be said to farm for profit, but simply for bare subsistence. The Irish farmer of the small class subsists very largely on the produce of his farm. The oats are sometimes entirely consumed on the farm, and potatoes in the same way, the rent being paid by other produce which is more saleable, such as cattle and butter. In bad years they are simply worse clad and worse fed, and they have to part with the stock necessary for proper cultivation of the farms, and they cannot renew their farming implements.
8370. The depression is more severely felt in Ireland among the smaller farmers than it would be in England.
8448. At the same time the rents in Ireland are higher than in England, that is, they represent a higher proportion of the produce of the farm, while the abatements which have been allowed by the landlords have been much larger in England than in Ireland.
8545. Further, in the opinion of Mr. Murrough O'Brien, the causes of the depression in Ireland are to some extent preventable.
8561. The tenure in Ireland, even under the Act of 1881, is at best for 15 years, and not one on which a reasonable man would embark capital in permanent improvements.
8479. The present tenure induces bad cultivation. With improved tenure better cultivation might be expected, with more money sunk in improvements. Moreover, while labour has deteriorated in quality by reason of the emigration of a large portion of the able bodied, capital has been drained out of the country by absentee rents, mortgages held in England, and the undue pressure of Imperial taxation, all causes which greatly conduce to the poverty of Ireland.
8605. III.—Charge for the use of Land in Industrial Centres.
8581. As in the agricultural districts, so in the industrial centres, the amounts which have to be paid for the use of land form a burden upon industry which is constantly becoming heavier, both absolutely and relatively.
8506. Thus in London, as well as in the other centres of industry, the value of land, so far from diminishing, has gone on increasing; so much so that if the land in London were in the market now the ground rents would be four times the amount which would have been paid 40 years ago.
8551. On the falling in of leases a higher ground rent is charged, so that even with an increase of business there is less profit; and the amount paid for ground rent bears a higher proportion to the profits of trade in the city of London than it used to.
8537. In like manner, in Birmingham, a town which has about doubled its population in the last 26 years, the price paid for the use of land has increased where everything else has decreased. Trade prices are lowered, profits are reduced, wages are less, and very large numbers of persons are out of employment. For a given amount of wages or of profit, more labour and more capital are required than there used to be; but existing ground rents remain the same.
8584. Again, from Sheffield, the evidence shows that rent swallows up all that is left to the workman after bare living is provided for, except in a very small proportion of cases.
- 91291.

1286. House rent has increased by 50 per cent of late years.  
 1287. It does not rise and fall as wages rise and fall.  
 1288. Though under the Artizans Dwellings Act improved houses have been built, and many workmen have to take to a different class of house from that they formerly had, yet the accommodation is, on the whole, about the same as 10 or 20 years ago. The advance of rent applies to the old houses. A house which was rented at 8*l.* 20 years ago is rented at 13*l.* now, without any improvement.
- 1310-2. The population of Sheffield has rapidly increased, in fact more than doubled, in the last 35 years.
- 1292-3. With the increase of population the price obtained for land has increased also. Much of the land is let on short leases to speculative builders, who put up inferior houses with high ground rents, being willing to pay more than private builders. To this speculative increase in value the increased price of land may to some extent be attributed, and when the manufacturing prosperity slackened off some of those who had made money went in for house property.
1294. Since the loss of the rail trade, however, building has been at a standstill, and house property is falling in value, so that a house valued at 200*l.* a year is let for 80*l.* But in this, as in other cases, there is no reduction of the ground rent. Instances given in which leases having fallen in where land had been let at 3*d.* (threepence) a yard, the ground landlord refused a renewal unless an increased rent was paid of 5*s.* (five shillings) a yard.
1299. The landlord had himself done nothing to improve the value of the land.
1309. With a diminution of the total output of industry in the town, the price of land has not been correspondingly lowered.
1288. The industrial community suffer all round, but leases of ground are not touched. Ground rents are not altered.
1354. The value of land has deteriorated, but no instance is known to the witness of a ground rent lowered.
- 1349-50-52. The profits of manufacture are less than they were, the wages of labour are lower than they were 10 years ago, and are still declining.
1294. A larger proportion of the income of working men now has to go in rent than did go 20 years ago, both house rent and wheel rent.
1295. Whilst everything else is depressed the charge for land has gone up.
1320. Fourthly, to take the case of Jarrow, the population of that place, in consequence of the development of the ship-building industry, has increased during the last 35 years from about 1,000 to 36,000, and with the increase of population the amount paid to the owner of the land has increased in proportion. Land which has come under ground rent during the last 10 years has been let at a higher rent than it would have fetched 25 years ago.
1481. Jarrow is all under ground rent. From the proceeds of the industry of the district, the ground landlord draws an immense income, himself doing nothing but taking the rents; for the improvement of the property is in no degree attributable to him. He receives an increase of income not only from the land on which the works are, but also from the land dwelt upon by the employees, and by the commercial population which the works attract to the neighbourhood.
1484. Lease recently renewed was so renewed only on payment of a rent of 50 per cent. greater than the previous rent, an increase to which the industrials were compelled to submit under pain of losing their property.
1485. And this charge for the industrial occupation of ground is an important item. Sufficiently so to affect the interest of the trade.
1486. Finally, a gentleman in the paper trade, having mills in different parts of the country, says that while wages are lower and profits reduced and the price of paper less there is no reduction in the charge for ground.
1479. Mr. Chater, junior.
- 1301-2. coal was dear, the royalty bears a higher proportion to the selling price than it did, and is therefore a proportionally greater burden.
- 12,472. 12,473.
- At the same time the wages are lower than they used to be in consequence of the fall in prices.
- 12,474. 12,475.
- There is at present no profit to the coalowners in Durham, taking the county as a whole.
- 12,476.
- Dead rents merging in royalties often leave coalmasters at a loss at the end of a lease; instance mentioned where the coalmasters had overpaid in consequence 260,000*l.* to the landowners for coal not yet gotten.
- 12,122-8.
- The system operates so as often practically to compel a lessee so situated, on whom the dead rent, royalties, &c. press unduly, still to take a renewal of the lease, on account of the large sums which he has had to pay to the lessor as dead rent.
- 12,187-90.
- It is said that the lessors in Durham have found it necessary to reduce their rents and royalties; but there are cases in that county also where the fixed rents are more than the collieries can possibly work up to within the remaining periods of the leases.
- 12,353-4.
- The gist of the evidence of the representative of the Durham Coal Trade Association is that, with a reduced output, there is a lower price obtained for coal, the workman get lower wages, the employer gets a lower profit, but the burden of royalties is greater.
- 12,358.
- In Germany the royalty is one of 2 per cent. on the price of coal at the pit's mouth, whereas in England it is so much a ton, whatever the price, on an average about 8 per cent., more or less, throughout the country; or four times as high as in Westphalia, where it is paid not to a private individual, but to the State.
- 12,121.
- Again, with regard to iron, in the last five or six years, the royalty paid upon the ore, coal, limestone, fireclay, &c. used brings up the royalty upon a ton of hematite iron on the west coast to 6*s.* 6*d.* a ton, the royalty on a ton of ore being about 2*s.* 6*d.*
- 2221.
- The iron used on the east coast is not taxed to the same extent, the ore used there being from Bilbao in Spain, where the royalty is only 8*d.* a ton, thus giving (for two tons of ore to one of pig iron) a royalty, so far as ore is concerned, of 1*s.* 4*d.* a ton only, as against 5*s.* 1*d.* with the people at Barrow on the west coast.
- 2306.
- And the royalties have increased at Barrow of late years in spite of the decrease in the price of iron.
- 2313.
- In both the Barrow and the Cumberland districts the royalties are in a few hands.
- 364.
- In 1872 the price of iron was 8*l.* a ton; in 1876 it had gone down to 3*l.* 4*s.*
- 2313.
- In high-price times royalties as high as 9*s.* or 10*s.* a ton were charged in the Cumberland district.
- 364.
- The favourable conditions under which hematite ore is obtained from Spain compelled the landowners in Cumberland and Lancashire to submit to a certain reduction of the royalties.
- 2313.
- In 1879 a sliding scale was adopted making the royalty from 2*s.* 3*d.* to 2*s.* 6*d.* a ton. Under this sliding scale the normal price of ore at the mines was taken at 12*s.* and the royalty fixed at one sixth, i.e., 2*s.*
2316. 2441.
- In the Cumberland district it is never less than 2*s.*, and as the price of ore rises there is a rising scale of royalty, so that if ore is 15*s.* a ton the royalty is from 2*s.* 9*d.* to 3*s.*
- 2442.
- In Lancashire the royalty starts at 2*s.* for a 12*s.* value, but is reduced if the price sinks lower, so that at 8*s.* value it is 1*s.* a ton; but if the price rises above 12*s.* the royalty rises very rapidly.
- 3565.
- These royalties are over and above the fixed rent.
- 3584-90.
- The proportion paid for labour out of the price of a ton of iron has fallen. General charges represent a larger proportion, because there is less work over which to divide them; and where the royalties are on a sliding scale, they are less, because the price is lower.
- 3585.
- It is further shown that out of 32*s.* the present (January 1886) price of a ton of pig iron in the Cleveland district, after the payment of 7*s.* to the railways for conveyance of minerals, 20*s.* for labour, and 2*s.* for stores, local taxation, &c., the 3*s.* which is left goes to the landowner as royalty.
- 3606.
- There is no profit; the wages, working expenses, railway charges, and royalties absorbing the entire of the price realised, there is nothing left for profit.
- 3578.
- As things are at present all that would otherwise be profit goes to the landlord as royalty.
- 3579.
- The royalties amount to nearly 10 per cent. of the price realised.
- Further, royalties bulk largely in the cost of the manu-
- N
- IV.—The burden of Royalties on Mining Industry.
- As the rent of farms in agricultural districts and the ground rents in industrial centres absorb the profits of industry, so in mining districts the dead rents, royalties, and similar charges paid to the landlord place upon industry an undue and increasing burden.
- 12,122. The burden of royalties is one of the causes of the depression in the coal trade at present, enabling foreign competitors to take orders which would otherwise come to this country.
- 12,469. The 5*d.* a ton royalty in Durham is a material item.
- 12,139. In Lancashire coal, which is not worth more than 5*s.* 6*d.* at the pit's mouth, is paying a royalty of 6*d.* a ton.
- 12,470. The rate in Durham (of 5*d.* a ton) being the same now
- 12,471. when coal fetches a lower price, as it was when (1870-73)
- o 24857.

2407. manufacture of steel rails. Where the royalty is 6s. a ton on pig iron it would be 7s. or 8s. on steel rails.
2411. Any reduction of the royalties would mean a corresponding profit to the manufacturers; a reduction of 2s. a ton would be called now a very material reduction, and when you are working at cost price, even 1s. is a very serious consideration.
2412. The make of steel rails in 1882 amounted to 1,235,000 tons; in 1885 it had fallen to 575,000, or less than half; and as the same number of works are carried on for the smaller as for the larger quantity, the cost of production per ton is very much increased. As a consequence, the men employed are not working half time, and there is, therefore, much distress among the workmen employed in steel works throughout the country.
2423. If the royalties here were the same as in Germany, the steel produced here would be better off by 5s. a ton.
- 2424 and 2228. The British manufacturer is handicapped to the extent of the difference between the foreign and the home royalties.
3566. In Germany the royalties on a ton of pig iron do not amount to more than 6d. a ton; in the United States they vary from nothing to as much as is paid here; whilst in France they are 8d. a ton.
3567. Abroad the royalties are claimed by the State.
3568. They are paid to the State, but in reality they are mere nominal royalties.
3596. And the fixed rent also which is charged abroad when there is no ore got from the ground is paid to the State, but it is so trifling that it need not be taken into account.
3612. Where, in the United States, there are no royalties. labour is paid at a higher rate than here.
3622. Under the altered condition of things the existing royalty on iron is a burden too great to be borne.

It is true to say that as in the agricultural industry the capital of the farmer is absorbed by agricultural rent, so the capital of the undertaker in the colliery industry is absorbed by like charges.

12,480.

#### V.—Conclusion.

The rent of farms which has been draining away agricultural capital; the ground rents which have been absorbing so much of the profits of industry in the industrial centres; and the charges of a like kind which are shown to be oppressing the mining industry, are, in this country, all fixed in terms of gold. The appreciation of that metal, manifested by its greater purchasing power in respect of every description of commodities, aggravates the burden of all charges in which it is the standard; in other words, the farmer has to give more quarters of wheat, the Sheffield manufacturer more of his files, the miner more tons of coal or iron in discharge of his legal obligation to the owner of the soil than were in the contemplation of either lessor or lessee at the date of the lease.

7780.

From all which I come to the general conclusion that so large a proportion of the proceeds of industry in the United Kingdom goes now to the owners of the country that the remainder is not sufficient to secure adequate remuneration to the industrial classes, either in the shape of wages to the operatives or reasonable profit to the organisers of labour, the employers, or capitalists. This seems to be quite sufficient to account for such depression as exists; and the obvious remedy is to be found in securing an increased proportion to the industrials and a smaller share to the non-industrials.

---

**ANALYSIS OF EVIDENCE,**

**ANSWERS FROM CHAMBERS OF COMMERCE,**

**AND FROM**

**DIPLOMATIC AND CONSULAR OFFICERS**  
**ABROAD.**

---



C O N T E N T S.

---

	Page
I.—EVIDENCE - - - - -	- 100
II.—REPORTS FROM CHAMBERS OF COMMERCE AND COMMERCIAL ASSOCIATIONS - - - - -	- 123
III.—REPORTS FROM FOREIGN COUNTRIES - - - - -	- 130
IV.—OTHER MATTER CONTAINED IN APPENDICES - - - - -	- 138

---

ALPHABETICAL LIST OF WITNESSES, WITH THE SUBJECTS TO WHICH  
THEIR EVIDENCE PRINCIPALLY RELATED.

Name.	Subject.	No. of Report and page.		Name.	Subject.	No. of Report and page.	
ALLHUSEN, C. -	Chemical trades, &c.	Third	264	LEE, Sir J. -	Cotton -	Third	7
ANDREW, S. -	Cotton -	Second	143	LEWENZ, P. -	Lace -	Second	234
BARLOW, F. P. -	Paper -	Final	13	LLOYD, E. J. -	Canals -	Third	258
BEHRENS, Sir J. -	Woollens -	Second	246	LORD, G. -	Cotton -	Second	182
BELK, C. -	Iron and steel -	Do.	74	LORD, W. Wyley -	Hardware -	Do.	25
BELL, Sir I. L. -	Do. -	Do.	40, 112	MALKIN, P. -	Silk -	Third	269
BIRCHENOUGH, H. -	Silk -	Do.	276	MALLET, J. T. -	Lace -	Second	234
BIRKIN, W. S. -	Lace -	Do.	234	MARTIN, J. -	Agriculture -	Third	48
BOUSFIELD, C. E. -	Woollens -	Do.	223	MARTINEAU, G. -	Sugar -	Do.	240
BROCKLEHURST, W. C. -	Silk -	Do.	270	MAWDSLEY, J. -	Cotton -	Second	172
BROOKSBANK, F. W. -	Lace -	Do.	234	MITCHELL, H. -	Woollens -	Do.	124
BROWN, J. B. -	Woollens -	Do.	157	MÜLLER, H. L. -	Hardware -	Do.	25
BURKE, J. -	Shipping -	Third	120	NEILL, T. -	Sugar -	Third	240
CAIRD, Sir J. -	Agriculture -	Second	293	NEWTON, J. -	Silk -	Second	289
CARVER, F. -	Lace -	Do.	234	NICHOLSON, J. O. -	Do. -	Do.	280
CATTARNS, R. -	Shipping -	Third	162	O'BRIEN, M. -	Agriculture -	Third	23
CHAMBERS, Sir G. -	Sugar -	Do.	229	OLDROYD, M. -	Woollens -	Do.	285
CHATER, G. -	Paper -	Final	7	OSBORN, S. -	Iron and steel -	Second	102
CLARK, R. -	Silk -	Third	283	PRICE, J. -	Shipbuilding -	Third	143
COLEMAN, J. -	Agriculture -	Do.	52	PRICE, W. R. -	Shipping -	Do.	104
COLLYER, C. E. -	Shipping -	Do.	127	PURCELL, J. S. -	-	First	50
COLNAGHI, D. -	-	First	33	RAWLINSON, J. -	Cotton -	Second	203
CROWE, J. A. -	-	Do.	63	REA, G. -	Agriculture -	Third	38
DEVITT, T. L. -	Shipping -	Third	115	READE, R. H. -	Linen -	Second	260
DIXON, J. W. -	Iron and steel -	Second	18	RENWICK, G. -	Shipping -	Third	132
DONALDSON, W. S. -	Do. -	Do.	70	RICHARDSON, J. T. -	Linen -	Second	260
DRUCE, S. B. L. -	Agriculture -	Third	64	ROWLANDSON, S. -	Agriculture -	Third	70
DUNCAN, J. -	Sugar -	Do.	240	SCHOLEFIELD, A. -	Shipping -	Third	132
DUNKERLEY, T. P. -	Silk -	Second	290	SCHULZE, W. -	Woollens -	Second	190
EASTON, T. O. -	Sugar -	Third	240	SCOTT, J. -	Shipbuilding -	Third	186
ELLIS, J. D. -	Iron and steel -	Second	95	SELDON, S. -	-	First	29
EVANS, D. -	Silk -	Do.	283	SIMPSON, A. -	Cotton -	Second	194
EVANS, John -	Paper -	Final	1	SIMPSON, J. B. -	Coal -	Third	206
FARRER, Sir T. H. -	Railways, &c. -	Final	29	SMITH, E. -	Silk -	Do.	282
FLINN, J. -	Do. -	Third	99	SMITH, J. T. -	Iron and steel -	Second	56
FORSTER, G. B. -	Coal -	Do.	179	STEPHENS, D. -	Shipping -	Third	132
FOX, J. -	Railways -	Do.	75	STEVENS, M. -	Railways and canals -	Do.	219, 249
FOX, W. F. -	Lace -	Second	234	STIEBEL, B. -	Lace -	Second	234
GIFFEN, R. -	-	First.	7	STUTTARD, T. -	Cotton -	Do.	167
GODWIN, J. -	Silk -	Second	286	TAYLOR, S. -	Cotton -	Second	143
GRIBBLE, G. -	Textiles -	Do.	135	TINNE, J. E. -	Sugar -	Third	229
HARDING, R. P. -	-	First	38	TWEMLOW, J. -	Silk -	Do.	280
HARRIS, W. J. -	Agriculture -	Third	81	UTTLEY, S. -	Cutlery -	Second	5
HENDERSON, A. -	Jute -	Second	218	VICKERS, T. E. -	Iron and steel -	Second	108
HEWLETT, A. -	Coal -	Third	195	WALKER, J. H. -	Jute -	Second	218
HICKMAN, A. -	Do. -	Do.	213	WARDLEY, W. F. -	Cutlery -	Do.	5
HINRICHSSEN, S. -	Cotton -	Second	215	WEINBERG, J. J. -	Jute -	Do.	218
HOLMSHAW, R. -	Cutlery -	Do.	5	WEST, Sir A. -	-	First	54
HUGHES, H. -	Do. -	Do.	88	WILLIAMSON, J. -	Shipping -	Third	155
KENNEDY, C. M. -	-	First	22	WRIGHT, J. -	Silk -	Second	287
KERSHAW -	Silk -	Second	284				
KNIGHT, R. -	Shipbuilding -	Final	17				

## LIST OF WITNESSES CLASSIFIED ACCORDING TO THE SUBJECT-MATTER OF THEIR EVIDENCE.

### AGRICULTURE.

Sir James Caird, K.C.B.  
Mr. John Coleman,  
Mr. S. B. L. Druce.

Mr. W. J. Harris.  
Mr. Joseph Martin.  
Mr. Murrough O'Brien.

Mr. S. Rowlandson.  
Mr. G. Rea.

### CANALS.—*See RAILWAY and CANAL CARRIAGE.*

### CHEMICAL TRADE.

Mr. C. Allhusen.

### COAL AND MINING INDUSTRIES.

Mr. G. B. Forster.

Mr. A. Hewlett.  
Mr. J. B. Simpson.

Mr. A. Hickman.

### COTTON INDUSTRY.

Mr. S. Andrew.  
Mr. S. Hinrichsen.  
Sir Joseph Lee.

Mr. G. Lord.  
Mr. J. Mawdsley.  
Mr. J. Rawlinson.

Mr. A. Simpson.  
Mr. T. Stuttard.  
Mr. S. Taylor.

### CUTLERY.—*See IRON and STEEL INDUSTRIES.*

### HARDWARE.—*See IRON and STEEL INDUSTRIES.*

### HOSIERY.—*See LACE and HOSIERY.*

### IRON AND STEEL INDUSTRIES.

Mr. C. Belk.  
Sir Lowthian Bell, Bart., F.R.S.  
Mr. J. W. Dixon.  
Mr. W. S. Donaldson.  
Mr. J. D. Ellis.

Mr. R. Holmshaw.  
Mr. H. Hughes.  
Mr. W. Wyley Lord.  
Mr. H. L. Muller.  
Mr. S. Osborn.

Mr. J. T. Smith.  
Mr. S. Uttley.  
Mr. T. E. Vickers.  
Mr. W. F. Wardley.

### JUTE.

Mr. A. Henderson.

Mr. J. H. Walker.

Mr. J. J. Weinberg.

### LACE AND HOSIERY.

Mr. W. S. Birkin.  
Mr. F. W. Brooksbank.

Mr. F. Carver.  
Mr. W. F. Fox.  
Mr. B. Stiebel.

Mr. P. Lewenz.  
Mr. J. T. Mallet.

### LINEN.

Mr. J. T. Richardson.

Mr. R. H. Reade.

### OFFICIAL WITNESSES.

Mr. D. Colnaghi.  
Mr. J. A. Crowe.  
Sir T. H. Farrer.

Mr. R. Giffen.  
Mr. R. P. Harding.  
Mr. C. M. Kennedy.

Mr. J. S. Purcell.  
Mr. S. Seldon.  
Sir A. West, K.C.B.

### PAPER INDUSTRY.

Mr. F. P. Barlow.

Mr. G. Chater.

Mr. John Evans, F.R.S.

### RAILWAY AND CANAL CARRIAGE.

Sir T. Farrer.  
Mr. Joseph Flinn.

Mr. John Fox.  
Mr. E. J. Lloyd.

Mr. S. Rowlandson.  
Mr. Marshall Stevens.

## SHIPBUILDING.

Mr. R. Knight.		Mr. John Price.		Mr. John Scott.
----------------	--	-----------------	--	-----------------

## SHIPPING.

Mr. J. Burke.		Mr. T. L. Devitt.		Mr. A. Scholefield.
Mr. R. Cattarns.		Mr. W. R. Price.		Mr. D. Stephens.
Mr. C. E. Collyer.		Mr. G. Renwick.		Mr. J. Williamson.

## SILK.

Mr. H. Birchenough.		Mr. D. Evans.		Mr. J. Newton.
Mr. W. C. Brocklehurst.		Mr. J. Godwin.		Mr. J. O. Nicholson.
Mr. R. Clark.		Mr. F. Kershaw.		Mr. E. Smith.
Mr. T. P. Dunkerley.		Mr. P. Malkin.		Mr. J. Twemlow.
		Mr. J. Wright.		

## TEXTILE INDUSTRIES GENERALLY.

Mr. G. Gribble.

*See also under COTTON, JUTE, LACE and HOSIERY, LINEN, SILK, and WOOL.*

## SUGAR.

Sir G. Chambers.		Mr. T. O. Easton.		Mr. T. Neill.
Mr. J. Duncan.		Mr. G. Martineau.		Mr. J. E. Tinne.

## WOOLLENS.

Sir J. Behrens.		Mr. J. B. Brown.		Mr. M. Oldroyd.
Mr. C. E. Bousfield.		Mr. H. Mitchell.		Mr. W. Schulze.

## ANALYSIS OF THE EVIDENCE ANNEXED TO THE FIRST, SECOND, THIRD, AND FINAL REPORTS.

### AGRICULTURE.

#### INFORMATION AS TO VALUE, COST, AND EXTENT OF PRODUCTION OF LATE YEARS :

*Caird*, 7666-8, 7670-5, 7793, 7907.  
*O'Brien*, 8502-4.  
*Rea*, 8805.  
*Coleman*, 9011-16, 9071-5.  
*Druce*, 9136-7, 9149-53, 9155-61, 9201-4, 9217-19.  
*Harris*, 9983-4, 9917-8, 9674, 9701-7, 9833-40,  
 9861-72.

#### CAUSES OF AGRICULTURAL DEPRESSION :

*Caird*, 7778-82, 7821.  
*O'Brien*, 8445-9.  
*Rea*, 8667-9.  
*Martin*, 8889.  
*Coleman*, 9017, 9062, 9084.  
*Druce*, 9138-9, 9143-8, 9196-9200.

#### ESTIMATED LOSS TO LANDLORDS AND TENANTS IN CONSEQUENCE OF AGRICULTURAL DEPRESSION :

*Caird*, 7665-76, 7718-38, 7743-8, 7785-7, 7957.  
*O'Brien*, 8367-71, 8647.  
*Rea*, 8663-4, 8747-8.  
*Martin*, 8884-8.  
*Coleman*, 8994-9010, 9040-1.  
*Druce*, 9113-35, 9140-1.

#### DIMINUTION IN RENT OF AGRICULTURAL LAND :

*Caird*, 7677-87, 7739-41, 7923-6.  
*O'Brien*, 8373-5, 8469-80, 8515-17, 8532-3, 8576-80,  
 8592.  
*Rea*, 8681-3, 8744-6, 8793.  
*Martin*, 8922-3.  
*Coleman*, 9056-61.  
*Druce*, 9142.  
*Rowlandson*, 9378.

#### PROFITS OF TENANTS :

*Caird*, 7673, 7688-93, 7846-9, 7908-17, 7923-6.  
*Rea*, 8794-8, 8805-13, 8820-34, 8852-75.  
*Martin*, 8963, 8975-80.  
*Coleman*, 9001-6, 9051-4, 9062.  
*Druce*, 9133-5.  
*Rowlandson*, 9340-61, 9366-71, 9376-81.  
*Harris*, 9674.

#### RATE OF WAGES FOR AGRICULTURAL LABOUR :

*Caird*, 7668, 7670-5, 7712-17, 7742, 7750-2.  
*O'Brien*, 8550-3, 8649-50.  
*Rea*, 8687-90, 8710-1, 8835-40.  
*Martin*, 8908-13, 8929-31, 8948.  
*Coleman*, 9073-5, 9106-9.  
*Druce*, 9153.  
*Rowlandson*, 9391-4.  
*Harris*, 9652-5, 9689-95, 9698-700, 9729-35, 9891-2.

#### FALL OF PRICES :

*Caird*, 7758-9, 7777, 7846-50, 7863-8, 7952-7.  
*O'Brien*, 8378, 8491-8, 8624-5.  
*Rea*, 8667-73, 8715-29, 8787-91.  
*Martin*, 8903, 8925-8, 8954-63.  
*Coleman*, 9011-16.  
*Druce*, 9154.  
*Rowlandson*, 9234-47.  
*Harris*, 9701-7, 9833-40, 9861-72.

#### CONSUMPTION AND SUPPLY OF HOME AND FOREIGN WHEAT :

*Caird*, 7755-76, 7809, 7815-19, 7869, 7877-81, 7907,  
 7932-5.  
*O'Brien*, 8606-7.  
*Rea*, 8784-6.  
*Harris*, 9593-9, 9675-7, 9608-10, 9655, 9712-4,  
 9747-50.

### AGRICULTURE—cont.

#### PROSPECTS OF AGRICULTURE IN THIS COUNTRY :

*Caird*, 7795-6, 7812, 7820-43, 7937-8.  
*O'Brien*, 8438.  
*Rea*, 8686.  
*Coleman*, 9062-70, 9076-7.  
*Rowlandson*, 9253-90.  
*Harris*, 9579, 9708-11, 9841-8, 9580-5, 9568, 9669,  
 9672-3.

#### CHANGES IN SYSTEM OF AGRICULTURE AND IN SIZE OF HOLDINGS :

*Caird*, 7777, 7947-9.  
*O'Brien*, 8376-7, 8556.  
*Rea*, 8684-5, 8691-6.  
*Martin*, 8895-6, 8907.  
*Coleman*, 9078, 9081-2.  
*Druce*, 9162-3.  
*Rowlandson*, 9395-7.  
*Harris*, 9824-32.

#### INCIDENCE OF TAXATION ON AGRICULTURAL IN- DUSTRY :

*Caird*, 7694-7712, 7931.  
*O'Brien*, 8383-4, 8546, 8557, 8610-11, 8634-41, 8653-4.  
*Rea*, 8767-9, 8820-5.  
*Martin*, 8914, 8932-3, 8938-41, 8981-90.  
*Coleman*, 9080, 9083, 9085-9, 9098-9104.  
*Druce*, 9174-89.  
*Harris*, 9611-22, 9678-82, 9787-9, 9793-3, 9880-90,  
 9900-3.

#### EVIDENCE RELATING TO RAILWAY CARRIAGE FOR AGRICULTURAL PRODUCE :

*Caird*, 7788-90, 7799-7811, 7927-30.  
*O'Brien*, 8412-5.  
*Rea*, 8709, 8730-40.  
*Martin*, 8915-18, 8942-4.  
*Coleman*, 9090-3.  
*Druce*, 9190-5, 9208-13, 9224-6.  
*Rowlandson*, 9248-82, 9291-9339, 9362-5, 9372-5,  
 9382-90, 9399-9412.  
*Harris*, 9696-7.

#### METHOD OF BRINGING TO MARKET AND DISTRIBUTING AGRICULTURAL PRODUCE :

*Caird*, 7851-4.  
*Rea*, 8697-8702, 8814-19.  
*Martin*, 8934-7, 8972-4.  
*Coleman*, 9079.  
*Druce*, 9164-5.  
*Harris*, 9630, 9791-2, 9683-8.

#### CONNEXION OF AGRICULTURE WITH OTHER BRANCHES OF INDUSTRY, AND EFFECTS OF AGRICULTURAL DE- PRESSION ON TRADE :

*Dixon*, 1363-4.  
*Ellis*, 3198-3202.  
*Caird*, 7897-7900.  
*Belk*, 2722, 2807-10, 2874-5, 2896, 2937-41.  
*Brown*, 4765-8.  
*O'Brien*, 8372, 8563-6.  
*Rea*, 8747-66, 8770-6.  
*Martin*, 8892-4.  
*Coleman*, 9018-23, 9050, 9062, 9084-5.  
*Druce*, 9140-1, 9216.  
*Harris*, 9591-2, 9807-9, 9774-86.

#### TRADE IN FOREIGN CATTLE AND MEAT :

*Caird*, 7810-42, 7901-3, 7920-2.

#### AGRICULTURAL DEPRESSION IN IRELAND :

*O'Brien*, 8358-66, 8378-8402, 8528-9, 8545, 8594.

#### POSITION OF THE TENANT FARMERS IN IRELAND :

*O'Brien*, 8406-11, 8416-37, 8444-58, 8506-14, 8517-  
 31, 8547-9, 8557-61, 8581-7, 8614-23.

## BANKRUPTCY.

*Giffen*, 128-135.  
*Harding*, 457-465, 472-4, 564, 573-8.  
*Dixon*, 1386-7.  
*Hughes*, 2990-1.  
*Rawlinson*, 5820-5845.

## CANALS.

## RAILWAY CONTROL OVER CANALS:

*Ellis*, 3030-1, 3051-61.  
*Stevens*, 12,709-27, 12,766-78, 13,351-2, 13,355-62,  
 13,369-82, 13,420-87, 13,508-12, 13,530-43,  
 13,556-62.  
*Lloyd*, 13,568-9, 13,573, 13,587-9, 13,607-14, 13,645.  
*Farrer*, 14,989-90, 15,005-6, 15,045-7.

## COMPETITION OF CANALS WITH RAILWAYS:

*Stevens*, 13,328-9, 13,340, 13,503-7.  
*Lloyd*, 13,584-56, 13,593-602.  
*Farrer*, 14,989-90, 15,048-59.

## GROWTH OF CANAL TRAFFIC:

*Stevens*, 13,330-1.  
*Lloyd*, 13,568-9.

[See also under RAILWAY AND CANAL CARRIAGE.]

## COAL AND MINING INDUSTRIES.

## NATURE AND EXTENT OF DEPRESSION IN THE COAL TRADE:

*Ellis*, 3007-21, 3062-3102, 3107, 3139-45.  
*Forster*, 11,659-63, 11,699, 11,719-26, 11,728-30.  
*Hewlett*, 12,083, 12,117.  
*Simpson*, 12,299, 12,307-14, 12,428, 12,477-80.  
*Hickman*, 12,502-3.

## PRODUCTION AND CONSUMPTION OF COAL, PRICES, &amp;c.

*Ellis*, 3036-42, 3142-5.  
*Forster*, 11,656-8, 11,664-70, 11,778-91.  
*Hewlett*, 12,084-91, 12,213-5, 12,107-16, 12,092-12,100, 12,107.  
*Simpson*, 12,299-306, 12,335-8, 12,362-87, 12,460-3.

## PRODUCTION, PRICES, &amp;c. OF IRON ORE IN THIS AND FOREIGN COUNTRIES:

*Bell*, 1954-5, 2097-8, 2128-9.  
*Smith*, 2190-6, 2211-13, 2250-5, 2330-1, 2347-51.  
*Donaldson*, 2613-24.  
*Ellis*, 3193-7.

## LABOUR QUESTIONS: NUMBER OF PERSONS EMPLOYED, RATE OF WAGES, AND RELATIONS BETWEEN EMPLOYERS AND EMPLOYED:

*Ellis*, 3068-70, 3079-82, 3089-3102, 3113-17, 3161-3.  
*Forster*, 11,671-89, 11,709-18, 11,720-6, 11,792-809,  
 11,833-41, 11,849-61.  
*Hewlett*, 12,101-6, 12,148, 12,200-1, 12,296.  
*Simpson*, 12,340-7, 12,404-6, 12,417-27, 12,429-55,  
 12,474-5, 12,481-96.

## ROYALTIES ON MINERALS:

*Bell*, 2061-3, 3562-83, 3594-3622.  
*Smith*, 2221-39, 2313-22, 2353-58, 2407-9, 2411,  
 2422-4, 2442-8, 2520-3.  
*Donaldson*, 2600-3.  
*Ellis*, 3127-34.  
*Hewlett*, 12,121-45, 12,163-90, 12,195-7, 12,205-10,  
 12,295-6.  
*Simpson*, 12,353-61, 12,407-8, 12,464-73.

## RAILWAY CHARGES FOR TRANSPORT OF MINERALS:

*Bell*, 2032-43, 2156-9.  
*Donaldson*, 2608-10.  
*Ellis*, 3020-1, 3024-61, 3118-26, 3135-38, 3166-7.  
*Forster*, 11,704, 11,750-65, 11,773.  
*Hewlett*, 12,118-9, 12,216-94.  
*J. B. Simpson*, 12,320, 12,348-52, 12,388-92, 12,411.  
*Hickman*, 12,503-17, 12,537-55, 12,565-90, 12,627-32.

o 24357.

## COAL AND MINING INDUSTRIES—cont.

## OPERATION OF COAL MINES REGULATION ACT AND OTHER LEGISLATION:

*Bell*, 3628, 3642-4.  
*Donaldson*, 2598.  
*Ellis*, 3022-3, 3108-12.  
*Forster*, 11,690-8, 11,727.  
*Hewlett*, 12,083, 12,143-4, 12,150-8, 12,160-2,  
 12,198-9, 12,202-4, 12,211-2.  
*Simpson*, 12,307-8, 12,318, 12,400-3, 12,483-9,  
 12,491-2.

## COTTON INDUSTRY.

## GENERAL INFORMATION AS TO PRODUCTION, TRADE, &amp;c.:

*Andrew and Taylor*, 4289-93, 4297-9, 4301-3, 4317,  
 4434.  
*Rawlinson*, 5752, 5762-5, 5975-80, 5779-80.  
*Lord*, 5285-7, 5291, 5297, 5302.  
*Stuttard*, 4953, 4958, 5030-4.

## EVIDENCE AS TO DEPRESSION IN THE TRADE:

*Andrew and Taylor*, 4294-6, 4304-6, 4419-33, 4478-85.  
*Mawdsley*, 5052, 5127-30, 5215-46, 5235-40, 5257-58.  
*Simpson*, 5503-4.  
*Lord*, 5266-8.  
*Rawlinson*, 5753, 5946-56.  
*Stuttard*, 4916-29, 5014.  
*Hinrichsen*, 6049, 6050-1.  
*Lee*, 7962-3.

## OVER-PRODUCTION:

*Andrew*, 4315-16, 4355-8, 4372, 4544-6.  
*Lord*, 5267-70, 5314-15.  
*Lee*, 7964-72, 8031-3, 8223-41.  
*Hinrichsen*, 6063-7.  
*Rawlinson*, 5783-4, 5788-9, 5859-63.

## CHANGES OF FASHION:

*Hinrichsen*, 6076-7.

## FALL OF PRICES:

*Lord*, 5321-30.  
*Rawlinson*, 5957-9, 5767a-5772, 5846-8, 5876-84,  
 5967-8.  
*Hinrichsen*, 6150-1.

## INDICATIONS OF IMPROVEMENT:

*Hinrichsen*, 6049, 6052-4, 6172-4.

## COST OF PRODUCTION:

*Andrew*, 4377-79, 4442-5.  
*Rawlinson*, 5785-7, 5859-63, 5899-5904.  
*Hinrichsen*, 6098-6100, 6108-16.

## EXTENT OF FOREIGN COMPETITION:

*Andrew*, 4307, 4319-20, 4404-6, 4442-5, 4509-4526-7, 4530-1, 4542-3, 4546-53.  
*Stuttard*, 4929-51, 4974-88, 5022-3.  
*Mawdsley*, 5144-50, 5241-2, 5247-9.  
*Lord*, 5285-7.  
*Simpson*, 5548-52, 5731-2.  
*Rawlinson*, 5885-90, 5910, 5966, 5981-3.  
*Hinrichsen*, 6055-6, 6062, 6073-5, 6127-40, 6152-64.  
*Lee*, 7973-8, 8242-52, 8256-62.

## INDIAN COMPETITION:

*Andrew*, 4368-14.  
*Stuttard*, 4959-70, 5016-21.  
*Lord*, 5279-84, 5294-7.  
*Simpson*, 5501-2, 5549-51, 5562-8.  
*Hinrichsen*, 6057.

## FOREIGN TARIFFS:

*Andrew*, 4374-6, 4554-65.  
*Mawdsley*, 5144-8.  
*Simpson*, 5733-8.  
*Hinrichsen*, 6068-72, 6123-6.

## REMUNERATION AND EMPLOYMENT OF LABOUR:

*Andrew*, 4348-54, 4365-71, 4401-3, 4407-9, 4462-4,  
 4469-77, 4524, 4532-43.

( )



COTTON INDUSTRY—*cont.*

*Stuttard*, 4923-4, 4961, 4970-3, 4995-5009, 5023-7.  
*Mawdsley*, 5046, 5048-50, 5057-71, 5075-84, 5111-14,  
 5118-9, 5127-30, 5146-59, 5164-8, 5179-86,  
 5191-6, 5247-9.  
*Simpson*, 5490-3, 5543-9, 5562-8, 5606-7, 5611,  
 5619, 5649-61.  
*Rawlinson*, 5754-60, 5774-8, 5851-8, 5871-5, 5891,  
 5898, 5912-35, 5943-5, 5973-4, 5984-91, 5994-7,  
 6032-43, 6060-1.  
*Lee*, 7979-80, 7988-98, 8001-10, 8040-9, 8054-83,  
 8191-204, 8209-22, 8263-77, 8323-36.

## TECHNICAL EDUCATION:

*Mawdsley*, 5055-6, 5085-8, 5109-10, 5169-75.  
*Lee*, 7979, 7981-7, 7988-9, 8038, 8137-58.

## CURRENCY.

## EFFECT ON TRADE OF THE DEPRECIATION OF SILVER:

*W. W. Lord*, 1778-1781.  
*Gribble*, 4207-9.  
*Andrew*, 4300, 4346-7, 4410-18, 4569.  
*G. Lord*, 5303-13, 5347-52, 5357-9.  
*A. Simpson*, 5521-6, 5676-5718.  
*Rawlinson*, 5782.  
*Hinrichsen*, 6082-6, 6117-22.  
*Caird*, 7783, 7943.  
*Hickman*, 12,618.

## BIMETALLISM:

*Müller*, 1910-14.  
*A. Simpson*, 5521-6, 5739-40.  
*Hickman*, 12,533-6.

## APPRECIATION OF GOLD:

*G. Lord*, 5327-46.  
*A. Simpson*, 5717-8.  
*Hickman*, 12,523-36, 12,562-4, 12,612-26.

## IRON AND STEEL INDUSTRIES.

## NATURE AND EXTENT OF DEPRESSION:

*Uttley*, 1153-5.  
*Dixon*, 1341-3, 1346-7, 1430-55, 1471-6.  
*Müller*, 1511-13, 1551-7, 1647-8.  
*W. W. Lord*, 1511-12, 1553.  
*Bell*, 1923, 1932-4, 1952, 1984-97, 1998-2003, 2197,  
 3667.  
*Donaldson*, 2527-9.  
*Smith*, 2189, 2198, 2486-8, 2490-2502.  
*Belk*, 2665-78, 2727, 2893-7, 2933-41.  
*Hughes*, 2976-9, 2989-91, 2995-8, 3146-53.  
*Ellis*, 3178-90, 3220-1.  
*Osborn*, 3274-5, 3363-5, 3389-92, 3408-10.  
*Vickers*, 3412-19, 3424-8.

## CONNEXION BETWEEN DEPRESSION IN AGRICULTURE AND TRADE:

*Dixon*, 1363-4.  
*Belk*, 2722, 2807-10, 2874-5, 2896-7, 2937-41.  
*Ellis*, 3198-3202.

## PRODUCTION AND CONSUMPTION OF IRON AND STEEL:

*Uttley*, 1296, 1318-9.  
*Bell*, 1924-31, 1935-51, 1954-5, 1957-9, 1971-3,  
 1978, 2008-14, 2051-5, 2060, 2072-9, 2097-8, 2100-  
 10, 2115-26, 2127-9, 2135-7, 2140-2, 2197, 3537-9,  
 3542-60, 3555-60, 3649-57, 3684, 3697-9, 3741-63.  
*Smith*, 2391, 2412-13.  
*Donaldson*, 2530-1, 2538-40, 2544-60, 2569-73, 2575,  
 2590.  
*Belk*, 2682-4.

## FOREIGN COMPETITION:

*Uttley*, 1282-5.  
*Dixon*, 1389-1400, 1491-5.  
*Müller*, 1571-2, 1578-84, 1597-1600, 1603-11, 1661-  
 72, 1694-1701, 1732-43, 1784-1805, 1814-19, 1838-  
 40, 1885.  
*Bell*, 1960-70, 2015-26, 2044-6, 2050, 2063-71, 2077-  
 84, 2097-9, 2143-55, 3658-89, 3719-34.  
*Smith*, 2199, 2203, 2369-76, 2382-90, 2450, 2467,  
 2483-5.  
*Donaldson*, 2541-3, 2576-2603, 2613-25.  
*Ellis*, 3207-10.  
*Osborn*, 3366-84.  
*Vickers*, 3459-83.

IRON AND STEEL INDUSTRIES—*cont.*

## EFFECT OF FOREIGN TARIFFS:

*Dixon*, 1364, 1394-1400, 1432-9.  
*Müller*, 1586-90, 1729-31, 1774-7, 1784-5.  
*Smith*, 2259-63, 2510-19.  
*Donaldson*, 2573-4.  
*Vickers*, 3444-83, 3508-18, 3527-35.

## LABOUR QUESTIONS, RATE OF WAGES, HOURS OF WORK, AMOUNT OF EMPLOYMENT, TECHNICAL EDUCATION, &amp;c.

*Uttley*, 1156-81, 1198-1204, 1215-8, 1274-82, 1313,  
 1326-7, 1329-1338.  
*Dixon*, 1379-85, 1401, 1405-10, 1424, 1443-55, 1460-  
 6, 1496-1501.  
*Müller*, 1649-54, 1702, 1706-7, 1758-73, 1782-3, 1841,  
 1847-59.  
*Belk*, 2678-9, 2724, 2734-5, 2781-4, 2804-6, 2853-60,  
 2868-9, 2883-4, 2905.  
*Osborn*, 3273.  
*Bell*, 1923, 3629, 3645-8, 3663-6, 3701-17, 3736-40.  
*Smith*, 2217, 2309, 2365-7, 2377-81, 2439, 2503-5,  
 2509.

## ROYALTIES:

*Bell*, 2061-3, 3562-83, 3594-3622.  
*Smith*, 2221-39, 2313-22, 2353-8, 2407-9, 2411, 2422-  
 4, 2442-8, 2520-3.  
*Donaldson*, 2600-3.  
*Ellis*, 3127-34.

## RAILWAY QUESTIONS:

*Dixon*, 1357-9, 1456-9.  
*Müller*, 1601-2, 1821-6.  
*Bell*, 2032-43, 2083, 3735, 3747.  
*Smith*, 2311-12, 2336-40.  
*Donaldson*, 2604-16, 2633-49.  
*Ellis*, 3033, 3122-3, 3135-8, 3166-77.  
*Osborn*, 3264, 3285-7, 3310-16, 3320-4.  
*Vickers*, 3490-4, 3519.

## EVIDENCE WITH REGARD TO THE STEEL RAIL MAKERS' ASSOCIATION:

*Bell*, 2146-7, 2169-80.  
*Smith*, 2271-89, 2296-2303, 2342-6, 2352, 2359-64.  
*Vickers*, 3520-6.

## USE OF THE BASIC PROCESS:

*Bell*, 1960-70, 2094, 2128.  
*Smith*, 2199-2210, 2214-16, 2276-7.  
*Donaldson*, 2535-6, 2592, 2594.

## JUTE.

## GENERAL INFORMATION AS TO THE JUTE INDUSTRY:

*Weinberg*, 6179-81, 6187.

## EVIDENCE AS TO DEPRESSION:

*Weinberg*, 6182-4, 6187, 6212-15, 6249.  
*Walker*, 6192.

## INDIAN COMPETITION:

*Weinberg*, 6185-91, 6197-6203, 6256-60, 6268-71.  
*Walker*, 6262-4.

## FOREIGN TARIFFS:

*Weinberg*, 6190, 6249-52.  
*Walker*, 6191.

## LIMITED LIABILITY:

*Weinberg*, 6207-11, 6253-5.

## LABOUR.

## WORKING CLASSES, GENERAL CONDITION OF:

*Uttley*, 1156-60, 1297-9, 1323, 1313-17.  
*Dixon*, 1443-55.  
*Müller*, 1649-54.  
*Lord*, 1771-3.  
*Belk*, 2724-31, 2781-4, 2804-6, 2853-60.  
*Bell*, 3645-8, 3736-40, 3701-17.  
*Smith*, 2365.  
*Ellis*, 3161-3.  
*Osborn*, 3273, 3282-4, 3288-94, 3325-6.  
*Mitchell*, 3811, 3971-7, 4040.  
*Brown*, 4752, 4893, 4897-4904.  
*Bousfield*, 6308, 6345-8.

## LABOUR—cont.

## WORKING CLASSES, GENERAL CONDITION OF—cont.

*Behrens*, 6754-6, 6836, 6937-46.  
*Weinberg*, 6256-8.  
*Reade*, 7041-5, 7101-2.  
*Brocklehurst*, 7239-42, 7260-74.  
*Birchenough*, 7394-5.  
*Kershaw*, 7484-6, 7493.  
*Godwin*, 7516-8.  
*Dunkerley*, 7595-9.  
*Carver*, 6646-8.  
*Oldroyd*, 14,134-5.  
*Brooksbank*, 6648-68.  
*Harris*, 9689-95, 9652-5, 9727-35, 9774-86.  
*Burke*, 10,551-9.  
*Williamson*, 11,272-9.  
*J. Price*, 10,958-76.  
*Scott*, 11,897-902, 11,914, 12,005-24, 12,065-7.  
*Forster*, 11,671-89, 11,792-809, 11,833-41.  
*Hewlett*, 12,101.  
*Simpson*, 12,404-6, 12,429-55.  
*Allhusen*, 13,670-4, 13,684.  
*Malkin*, 13,835-9, 13,917-33, 13,950-63.  
*Mawdsley*, 5082-4, 5141-3.

## HOURS OF LABOUR AND OPERATION OF THE FACTORY ACTS:

*Uttley*, 1171-8, 1334-5, 1337-8.  
*Donaldson*, 2595-6.  
*Mitchell*, 3832.  
*Bousfield*, 6335, 6418-28, 6389-92, 6456-9.  
*Behrens*, 6754-6, 6836, 6876.  
*Fox*, 9434-40, 9468-70, 9504-14.  
*Reade*, 7011-12.  
*Nicholson*, 7456-9.  
*Newton*, 7577-82.  
*Dunkerley*, 7607-12.  
*Gribble*, 4102, 4126-34, 4171-2, 4185-6, 4205-6, 4254-9.  
*J. Price*, 10,959, 11,026-31, 11,035-6.  
*Scott*, 11,934-5, 12,065-7.  
*Allhusen*, 13,711, 13,723-7.  
*Oldroyd*, 14,135.  
*Malkin*, 13,788-9.  
*Mawdsley*, 5053-4, 5146-59, 5191-6, 5247-9.  
*Smith*, 14,036-43, 14,047-52.

## RATE OF WAGES:

*Uttley*, 1164-70, 1179-81, 1326.  
*Müller*, 1706-8.  
*Belk*, 2915-6.  
*Smith*, 2217, 2309, 2503-5, 2509.  
*Ellis*, 3068-70, 3079-82, 3090-1.  
*Mawdsley*, 5046, 5048-50, 5057-71, 5118-9, 5164-8, 5179-86.  
*Osborn*, 3282-4.  
*Mitchell*, 3812-14, 3936-43, 4040.  
*Brown*, 4668-72, 4898-4904.  
*Schulze*, 5421-3, 5429.  
*Bousfield*, 6340-1, 6514.  
*Behrens*, 6753.  
*Weinberg*, 6256.  
*Reade*, 7010.  
*Brocklehurst*, 7259.  
*Birchenough*, 7399-415.  
*Nicholson*, 7454, 7459.  
*Evans*, 7472.  
*Wright*, 7532-5, 7539-43.  
*Newton*, 7572-6.  
*Dunkerley*, 7612-16.  
*Birkin*, 6603-4.  
*Caird*, 7740-2, 7750-1, 7863-4, 7944-5.  
*O'Brien*, 8550-3, 8649-51.  
*Harris*, 9891-2.  
*Rea*, 8687-90, 8710-1, 8835-40.  
*Martin*, 8908-13, 8929-31, 8948.  
*Coleman*, 9073-5, 9106-9.  
*Druce*, 9153.  
*Rowlandson*, 9391-4.  
*Burke*, 10,495-6, 10,517, 10,565.  
*Williamson*, 11,210.  
*J. Price*, 10,958-76, 11,037-42.  
*Scott*, 11,867-72, 11,898-9, 11,936-7, 11,952-64, 11,986-9, 12,015-6, 12,032-5.  
*Forster*, 11,673-89, 11,720-6.  
*Hewlett*, 12,102-4, 12,296.  
*Simpson*, 12,345, 12,433-55.  
*Allhusen*, 13,670-3.  
*Oldroyd*, 14,134.  
*Malkin*, 13,736-47, 13,755-7, 13,777-82, 13,827-33, 13,844-8, 13,934-45.

## LABOUR—cont.

## GENERAL EFFICIENCY:

*Uttley*, 1218.  
*Bousfield*, 6298-9.  
*Mawdsley*, 5075-81, 5111-14.

## ACTION OF TRADES UNIONS:

*Dixon*, 1496-8.  
*Lord*, 1841, 1847-59.  
*Belk*, 2913-16.  
*Bell*, 3739-40.  
*Ellis*, 3113-17.  
*Bousfield*, 6347-8.  
*Reade*, 7045.  
*Carver*, 6601.  
*Brocklehurst*, 7240-2, 7257-9, 7308-10.  
*Nicholson*, 7454.  
*Birkin*, 6614, 6624-7.  
*Brooksbank*, 6668, 6674-90.  
*Stiebel*, 6668-71.  
*Harris*, 9694-5.  
*Scott*, 12,018-24.  
*Forster*, 11,713-18.  
*Hewlett*, 12,147-8.  
*Simpson*, 12,418-21.  
*Allhusen*, 13,678-83, 13,686-706.

## LACE AND HOSIERY.

## GENERAL INFORMATION AS TO THE LACE AND HOSIERY TRADE:

*Fox*, 6596-7.

## NATURE AND EXTENT OF DEPRESSION:

*Carver*, 6598-6601.  
*Birkin*, 6603-23.

## FOREIGN TARIFFS:

*Carver*, 6598-6601.  
*Birkin*, 6603-4.

## LABOUR QUESTIONS:

*Carver*, 6601.  
*Brooksbank*, 6602, 6648-6691.  
*Birkin*, 6603-4, 6615, 6624-7.

## LIMITED LIABILITY.

## EFFECT ON TRADE OF OPERATION OF LIMITED LIABILITY:

*Harding*, 504-38, 541-60, 584-9, 595.  
*Purcell*, 664-6.  
*Uttley*, 1196-7, 1205.  
*Müller*, 1519-25, 1677-82, 1827-32.  
*Bell*, 3668-83.  
*Gribble*, 4100-1, 4120-5.  
*Andrew*, 4328-36, 4388-4400, 4486-4508, 4514-21, 4579-80, 4590-3.  
*Mawdsley*, 5039-47, 5072-4, 5116-17, 5131-43, 5177-80, 5188-90.  
*G. Lord*, 5271-77.  
*A. Simpson*, 5505-20, 5553-7, 5589-5605, 5608-10, 5662-5, 5719-27, 5741-7.  
*Rawlinson*, 5798-5817, 5865-70, 5895-7, 5936-41, 5992-3.  
*Weinberg*, 6207-11.  
*Reade*, 7025-32, 7046-7, 7133-9.  
*Lee*, 8011-16, 8169-75, 8322.  
*W. R. Price*, 10,154-9.  
*Devitt*, 10,371-4, 10,428-32.  
*Burke*, 10,477-83.  
*Scholefield*, 10,790-1, 10,928-34.  
*Williamson*, 11,217-20, 11,265-8, 11,288-94.  
*Cattarns*, 11,363-7, 11,452-4, 11,506, 11,569-72.  
*J. Price*, 11,002-4. *Scott*, 11,908-11, 12,038.  
*Farrer*, 15,127.

## PROPOSED CHANGES IN THE LAW:

*Harding*, 539-40, 549, 593.  
*Andrew*, 4333, 4336, 4388-9, 4581-2, 4586-9.  
*Mawdsley*, 5047.  
*Simpson*, 5514-19, 5556, 5662-5, 5719-27.  
*Rawlinson*, 5812-14, 5992-3.  
*Lee*, 8051-3, 8101-4, 8123-32, 8183-5.  
*Farrer*, 15,127-15,161.

## INFORMATION AS TO NUMBER OF COMPANIES REGISTERED, &amp;c.:

*Purcell*, 667-70, 672-5, 679, 707-711.

## LINEN INDUSTRY.

## GENERAL INFORMATION AND STATISTICS AS TO THE CONDITION OF THE LINEN TRADE:

*Reade*, 6990-7009, 7017-9, 7067-71, 7080-3, 7140-51, 7160-3, 7165-9.  
*Richardson*, 7039-40, 7054.

## EVIDENCE AS TO DEPRESSION:

*Reade*, 6990-1, 7015, 7037-8, 7048-9, 7091-7100, 7116-32, 7152.  
*Richardson*, 6993-4, 7054-5.

## FOREIGN COMPETITION:

*Reade*, 7014, 7016, 7050-3, 7067, 7072-6, 7111-5, 7172-6.  
*Richardson*, 7055-64, 7108-10.

## FOREIGN TARIFFS:

*Reade*, 7001, 7084-7, 7158-9, 7172-76.

## FALL OF PRICES:

*Reade*, 7006-9.

## REMUNERATION AND EMPLOYMENT OF LABOUR:

*Reade*, 6991, 7010-12, 7041-5, 7088-90, 7101-2, 7155-7, 7170-71.

## LIMITED LIABILITY:

*Reade*, 7025-32, 7046-7, 7133-9.

## CHANGES OF FASHION:

*Reade*, 7020-1.

## TECHNICAL EDUCATION:

*Reade*, 7036, 7103.

## LIQUIDATION OF STOCKS:

*Reade*, 7038, 7048-9, 7092-7100, 7122-32.

## RAILWAY AND SEA CARRIAGE:

*Reade*, 7077-9.

## PAPER INDUSTRY.

## GENERAL CONDITION OF THE INDUSTRY:

*Evans*, 14,262-72, 14,281-2.  
*Chater*, 14,385-6, 14,394-403.

## NATURE OF THE DEPRESSION:

*Evans*, 14,340-64.  
*Chater*, 14,387-93, 14,417-23, 14,518-93.

## EXTENT AND GROWTH OF FOREIGN COMPETITION:

*Evans*, 14,262-4, 14,366.  
*Chater*, 14,397, 14,401-5, 14,424-35, 14,457-63, 14,470-5, 14,485-9, 14,594-600.  
*Barlow*, 14,610-17, 14,627-35, 14,642-55, 14,693-707.

## LABOUR QUESTIONS:

*Evans*, 14,311-22, 14,329-33, 14,356, 14,365-8.  
*Chater*, 14,412, 14,419-23, 14,434-5, 14,440-5, 14,499-507, 14,582-6, 14,601.  
*Barlow*, 14,610, 14,646-50, 14,681, 14,708-9, 14,732.

## EFFECT OF PROTECTIVE DUTIES AT HOME OR ABROAD:

*Evans*, 14,262-3, 14,273-80, 14,290-310, 14,325-8, 14,333-7.  
*Chater*, 14,413-6, 14,436-9, 14,508-12, 14,574.  
*Barlow*, 14,618-27, 14,652-8, 14,680.

## RAILWAY AND CANAL CARRIAGE.

## COMPLAINTS OF EXCESSIVE OR DIFFERENTIAL RATES CHARGED BY RAILWAY COMPANIES:

*Dixon*, 1357-9, 1456-9.  
*Müller*, 1601-2, 1821-6.  
*Bell*, 2032-43, 2083, 3735, 3747.  
*Smith*, 2311-12, 2336-40.  
*Donaldson*, 2604-16, 2633-49.  
*Ellis*, 3033, 3122-3, 3135-8, 3166-77.  
*Osborn*, 3264, 3285-7, 3310-16, 3320-4.  
*Vickers*, 3490-4, 3519.  
*Gribble*, 4142-53, 4157-66, 4260-3.  
*Andrew*, 4380-7, 4437-41, 4446-9,  
*Stuttard*, 5010-13.  
*A. Simpson*, 5612-7.

## RAILWAY AND CANAL CARRIAGE—continued.

## COMPLAINTS OF EXCESSIVE OR DIFFERENTIAL RATES CHARGED BY RAILWAY COMPANIES—cont.

*Lee*, 8084-95, 8105-22, 8186-91, 8314-18.  
*Mitchell*, 3992-6.  
*Bousfield*, 6328, 6465-73, 6577.  
*Behrens*, 6811-33.  
*Harris*, 9687, 9696-7.  
*Rea*, 8734.  
*Martin*, 8915-18, 8942-4.  
*Coleman*, 9090.  
*Druce*, 9190.  
*Rowlandson*, 9248-82, 9291-9339, 9362-5, 9372-5, 9382-90, 9399-9412.  
*Fox*, 9416-22, 9458-9, 9532-73.  
*Flinn*, 9941-51, 9962-10,058.  
*Hewlett*, 12,118-9, 12,216-94.  
*J. B. Simpson*, 12,320, 12,348-52, 12,388-92, 12,411.  
*Hickman*, 12,503-17, 12,537-55, 12,565-90, 12,627-32.  
*Stevens*, 12,694-5, 12,837-41.

## OPINION AS TO COMPLAINTS OF EXCESSIVE OR DIFFERENTIAL RATES:

*Farrer*, 14,982-96, 15,010-12, 15,060-70, 15,072-87, 15,111-5, 15,122-6.

## COMPARISON OF ENGLISH AND FOREIGN RAILWAY RATES:

*Stevens*, 12,642-52, 12,837-45, 13,526-29.

## POWERS TO REVISE RATES IN THIS COUNTRY AND ABROAD:

*Stevens*, 12,685-6, 12,835-6, 12,875.

## PRIVATE AGREEMENTS BETWEEN RAILWAY COMPANIES:

*Stevens*, 12,699-701.  
*Farrer*, 15,003-9, 15,041-4, 15,094-15,100.

## RAILWAY CONTROL OVER CANALS:

*Ellis*, 3030-1.  
*Stevens*, 12,709-27, 12,766-78, 13,351-2, 13,355-62, 13,369-82, 13,420-87, 13,508-12, 13,530-43, 13,556-62.  
*Lloyd*, 13,568-9, 13,573, 13,587-9, 13,607-14, 13,645.  
*Farrer*, 14,989-90, 15,005-6, 15,045-7.

## SHIPBUILDING.

## NATURE AND EXTENT OF DEPRESSION IN SHIPBUILDING TRADE:

*Burke*, 10,467-70, 10,500-3, 10,521-3, 10,576-80.  
*Scholefield*, 10,788-9, 10,909-11.  
*J. Price*, 10,938-52.  
*Scott*, 11,864-5, 11,880-1, 11,890-2, 12,039-40.  
*Knight*, 14,744-9.

## STATISTICS OF SHIPBUILDING IN THIS AND OTHER COUNTRIES:

*Scholefield*, 10,794-9.  
*Williamson*, 11,183-9.  
*Scott*, 11,873-7.  
*Knight*, 14,747.

## LABOUR QUESTIONS:

*Burke*, 10,469, 10,500-3.  
*J. Price*, 10,958-76, 10,982-90, 11,005-42, 11,026-31, 11,039-42.  
*Scott*, 11,867-72, 11,897-902, 11,914, 11,933-8, 11,952-64, 11,986-9, 12,006-35, 12,062-7.  
*Knight*, 14,733-58, 14,763-98, 14,806-14,979.

## SHIPBUILDING IN FOREIGN COUNTRIES:

*Scholefield*, 10,794-9.  
*J. Price*, 10,977-81.  
*Scott*, 11,878-9, 11,940-3, 11,965-85, 11,997-12,003, 12,036-7, 12,045-54.  
*Knight*, 14,759-66, 14,774-839, 14,965, 14,972-3.

## COST OF PRODUCTION:

*Williamson*, 11,231-2.  
*J. Price*, 10,982-90, 11,005-42.  
*Knight*, 14,866.

SHIPBUILDING—*cont.*

## FOREIGN BOUNTIES ON SHIPBUILDING :

*J. Price*, 10,991-3.  
*Scott*, 11,893-6, 11,912-3, 11,915-32, 11,944-6,  
 11,990-12,004, 12,047-54.

## CHANGES IN METHODS OF CONSTRUCTION :

*J. Price*, 10,953-5, 10,997-11,001.  
*Scott*, 11,882-89, 11,903-6, 12,044.  
*Scholefield*, 10,864-71.

## EFFECT OF LIMITED LIABILITY ON SHIPBUILDING INDUSTRY :

*J. Price*, 11,002-4.  
*Scott*, 11,908-11, 12,038.

## SHIPPING.

## NATURE AND EXTENT OF DEPRESSION IN SHIPPING TRADE :

*W. R. Price*, 10,065-8, 10,152-4, 10,207-26.  
*Devitt*, 10,274-82, 10,309, 10,323-8, 10,427.  
*Burke*, 10,437-9, 10,462-5, 10,475, 10,543, 10,560-4.  
*Collyer*, 10,762-77.  
*Scholefield*, 10,788-9, 10,827, 10,849-51, 10,909-11.  
*Williamson*, 11,179-82, 11,202-5, 11,213, 11,221-4,  
 11,227-8.  
*Cattarns*, 11,300-3, 11,363, 11,449-51, 11,506, 11,522-32, 11,575-7, 11,584.

## QUANTITY OF GOODS CARRIED :

*W. R. Price*, 10,064.  
*Burke*, 10,436, 10,509.  
*Collyer*, 10,652-5.  
*Scholefield*, 10,781-7.  
*Williamson*, 11,177-8, 11,241-7.  
*Cattarns*, 11,297-9, 11,560-2, 11,410-12.

## SHARE OF TOTAL CARRYING TRADE FALLING TO BRITISH VESSELS :

*W. R. Price*, 10,069-71.  
*Williamson*, 11,190.

## LEGISLATION AS TO SHIPPING :

*W. R. Price*, 10,123, 10,143-51, 10,178-81, 10,200-6,  
 10,235-50.  
*Scholefield*, 10,806-26, 10,831, 10,840-2, 10,854-63,  
 10,900-8, 10,913-24.  
*Williamson*, 11,211-12, 11,214, 11,229, 11,248-55.  
*Cattarns*, 11,427-8, 11,533-8, 11,565-8.

## SUBSTITUTION OF STEAM FOR SAILING VESSELS :

*W. R. Price*, 10,088-91, 10,139-42, 10,167-8.  
*Devitt*, 10,305-8.  
*Burke*, 10,453-4, 10,466, 10,528-32.  
*Scholefield*, 10,843-6.

## COMPETITION OF FOREIGN OR COLONIAL SHIPPING :

*W. R. Price*, 10,108-33.  
*Burke*, 10,439-45, 10,455-61, 10,485-94, 10,497-9,  
 10,566-9, 10,595-602.  
*Scholefield*, 10,832-6, 10,877-82, 10,900-8, 10,913-24.  
*Cattarns*, 11,326-33, 11,421-32, 11,560-8.

## BOUNTIES GIVEN BY FOREIGN COUNTRIES :

*W. R. Price*, 10,087, 10,105-23, 10,172-5.  
*Devitt*, 10,321-3.  
*Burke*, 10,448, 10,570-5, 10,603-10, 10,613-4.  
*Scholefield*, 10,831, 10,837-9, 10,891-9.  
*Williamson*, 11,206-9, 11,236-9.  
*Cattarns*, 11,328-33, 11,410-20, 11,573-4, 11,610-1.

## ENTREPÔT TRADE :

*W. R. Price*, 10,072-4, 10,097-9, 10,169-71.  
*Devitt*, 10,283-9, 10,376-99.  
*Collyer*, 10,657-60, 10,736-40.  
*Scholefield*, 10,847-48.  
*Williamson*, 11,191-8.  
*Cattarns*, 11,334-42.

## FREIGHT RINGS :

*W. R. Price*, 10,075-86, 10,095-7, 10,134-7, 10,160-6,  
 10,184-99, 10,251-60, 10,266-9.  
*Devitt*, 10,297-304, 10,312-20, 10,329-70, 10,400-25.  
*Collyer*, 10,660-735.  
*Williamson*, 11,199-201, 11,258-60, 11,282-7.  
*Cattarns*, 11,343-61, 11,578-9, 11,612-15.

SHIPPING—*cont.*

## EFFECT OF THE OPENING OF THE SUEZ CANAL :

*W. R. Price*, 10,074, 10,091-4, 10,209, 10,228-34,  
 10,261-5.  
*Devitt*, 10,290-6.  
*Burke*, 10,449-52, 10,471-3, 10,545-50.  
*Scholefield*, 10,847-8.  
*Williamson*, 11,191-8.  
*Cattarns*, 11,362, 11,563.

## EFFECT OF RAILWAY COMPETITION ON SHIPPING :

*Williamson*, 11,280-1.  
*Cattarns*, 11,304-27, 11,545-56, 11,580-3, 11,585-609,  
 11,622-51.

## LIMITED LIABILITY :

*W. R. Price*, 10,154-9.  
*Devitt*, 10,371-4, 10,428-32.  
*Burke*, 10,477-83.  
*Scholefield*, 10,790-1, 10,928-34.  
*Williamson*, 11,217-20, 11,265-8, 11,288-94.  
*Cattarns*, 11,363-7, 11,452-4, 11,506, 11,569-72.

## WAGES, POSITION, &amp;c. OF SEAMEN :

*Burke*, 10,495-6, 10,504-8, 10,513-9, 10,551-9, 10,565.  
*Scholefield*, 10,849-51, 10,872-6.  
*Williamson*, 11,210, 11,272-9.

## SILK.

## GENERAL INFORMATION AS TO SILK TRADE :

*Brocklehurst*, 7195-7212.  
*Nicholson*, 7452-4.  
*Evans*, 7466.  
*Kershaw*, 7493.  
*Dunkerley*, 7590.  
*Malkin*, 13,733-6, 13,823-6, 13,974-90.  
*Clark*, 14,055.

## NATURE AND EXTENT OF THE DEPRESSION :

*Brocklehurst*, 7193-7212, 7332-3.  
*Birchenough*, 7354-6, 7378-83.  
*Nicholson*, 7452-4.  
*Evans*, 7468-71.  
*Kershaw*, 7481, 7491.  
*Godwin*, 7515.  
*Dunkerley*, 7590-2.  
*Malkin*, 13,736, 13,758-76, 13,815-17, 13,852-67,  
 13,974-90.  
*Smith*, 14,036-42, 14,047-52.  
*Clark*, 14,055, 14,073-5.

## REMUNERATION AND EMPLOYMENT OF LABOUR :

*Brocklehurst*, 7195-6, 7239-42, 7257-9, 7268-7308-10.  
*Birchenough*, 7394-5, 7407-9, 7411-15.  
*Nicholson*, 7454-7459.  
*Evans*, 7472.  
*Kershaw*, 7493.  
*Godwin*, 7516-8.  
*Wright*, 7539-44, 7556-60.  
*Newton*, 7562-82.  
*Dunkerley*, 7595, 7598-9, 7607-63.  
*Malkin*, 13,733-57, 13,777-90, 13,827-51, 13,868-74,  
 13,917-63, 13,970-1.  
*Twemlow*, 14,011-30.  
*Smith*, 14,033-6, 14,039.  
*Clark*, 14,055-70, 14,072-90.

## FOREIGN COMPETITION :

*Brocklehurst*, 7199, 7248-9, 7253-4, 7299-301, 7323-31.  
*Birchenough*, 7340-9, 7366-8, 7384-90, 7399-405,  
 7419-23, 7427-30, 7435-48.  
*Evans*, 7466-7.  
*Kershaw*, 7481-4, 7493-503.  
*Wright*, 7536-7, 7547-9, 7552.  
*Malkin*, 13,794-817, 13,852-67, 13,877-88, 13,965-9,  
 13,974-90.  
*Twemlow*, 14,000-9.

## TECHNICAL EDUCATION :

*Brocklehurst*, 7213-30, 7260-7, 7303-6, 7322.  
*Birchenough*, 7369-72, 7391-3, 7406.  
*Nicholson*, 7461-2.  
*Kershaw*, 7512.  
*Godwin*, 7518-27.  
*Wright*, 7544-7.  
*Newton*, 7583-7.

## SILK—continued.

## PROTECTIVE DUTIES IN THIS COUNTRY :

*Brocklehurst*, 7232-3, 7253-4, 7307, 7311.  
*Birchenough*, 7345-6, 7353-63.  
*Nicholson*, 7463.  
*Kershaw*, 7490-1, 7504-6.  
*Godwin*, 7528.  
*Wright*, 7531, 7549.  
*Dunkerley*, 7593-4, 7605.  
*Malkin*, 13,775, 13,794, 13,897-903, 13,908-16,  
 13,965-8, 13,991-9.  
*Smith*, 14,053-4.  
*Clark*, 14,071, 14,086-7.

## CHANGES IN TASTE AND FASHION :

*Brocklehurst*, 7204, 7250, 7278-84.  
*Birchenough*, 7345, 7353, 7358-63.

## SUGAR INDUSTRY,

## GENERAL CONDITION OF THE INDUSTRY :

*Chambers and Tinne*, 12,901-9, 12,945, 12,990-13,028.  
*Martineau*, 13,163-7, 13,174.  
*Neill*, 13,326-7.

## EFFECT OF FOREIGN BOUNTIES AT HOME AND IN THE COLONIES :

*Chambers and Tinne*, 12,910-3, 12,915-31, 12,953-7,  
 12,941-3, 12,945-9, 12,959-85, 12,988-9, 12,998-  
 13,020, 13,029, 13,063-79, 13,083-9, 13,098-9,  
 13,101-17.  
*Easton*, 13,325.  
*Martineau*, 13,156, 13,168-80, 13,183, 13,204-26.

## COUNTERVAILING DUTIES :

*Chambers and Tinne*, 12,935-40, 12,987, 13,052-61,  
 13,121-3, 13,126-94.  
*Martineau*, 13,181-99, 13,253-60.  
*Neill*, 13,327.

## GROWTH OF THE SUGAR BEET :

*Duncan*, 13,278-324.

## TECHNICAL EDUCATION.

*Uttley*, 1216-18.  
*Dixon*, 1379-85, 1401, 1424, 1499-1501.  
*Müller*, 1626-33.  
*W. W. Lord*, 1628, 1676.  
*Belk*, 2734-5, 2905-6.  
*Andrew*, 4325-7.  
*Mawdsley*, 5055-6, 5085-8, 5109-10, 5169-  
*Lee*, 7979-89, 8038, 8137-58.  
*Mitchell*, 3969-70, 4044-50.  
*Brown*, 4643-6, 4653-4, 4719-24.  
*Schulze*, 5382.  
*Bousfield*, 6298-6309, 6344, 6373-83.  
*Behrens*, 6785-90.  
*Oldroyd*, 14,176-82, 14,253.  
*Reade*, 7036, 7101-3.  
*Brocklehurst*, 7213-28, 7260-7.  
*Birchenough*, 7369-72, 7391-3.  
*Nicholson*, 7461-2.  
*Kershaw*, 7512.  
*Godwin*, 7526-7.  
*Wright*, 7531, 7536-8, 7542-7.  
*Newton*, 7583-7.  
*Dunkerley*, 7596-7.  
*Malkin*, 13,750-9, 13,818-22.  
*Gribble*, 4090-3, 4119.  
*Allhusen*, 13,685.

## TRADE MARKS.

## IMPORTANCE OF TRADE MARK QUESTIONS :

*Osborn*, 3268-70, 3317-9, 3327-38.  
*Hughes*, 2952-63.  
*Belk*, 2692.

## FALSE MARKING OF GOODS :

*Uttley*, 1143-51, 1182-95, 1219-24, 1250-73.  
*Dixon*, 1375-7, 1411-2, 1467-70.  
*Müller*, 1717-24.  
*Belk*, 2659, 2690-3, 2754-6, 2771-80, 2811-24, 2832-  
 7.  
*Hughes*, 2955-60, 2980-3.

## TRADE MARKS—cont.

## EXTENT TO WHICH THE PRACTICE IS CARRIED ON IN THIS COUNTRY :

*Holmshaw*, 1183-4.  
*Uttley*, 1214, 1256-7.  
*Belk*, 2699.

## PRESENT STATE OF THE LAW ON THE SUBJECT, AND SUGGESTIONS FOR IMPROVEMENT :

*Uttley*, 1185, 1270-3, 1229-31.  
*Belk*, 2659, 2694, 2723, 2745-6, 2814-20.  
*Hughes*, 2952-60, 2964-73, 2980-3.  
*Osborn*, 3271-2.

## WOOLLEN INDUSTRY.

## GENERAL INFORMATION AS TO WOOLLEN TRADE :

*Mitchell*, 3767-80, 3788-97, 3815-29, 3838-47, 3921-2,  
 3949-52, 3965-6, 4022-4, 4055.  
*Bousfield*, 6494-7, 6586-94, 6289-91, 6450-3.  
*Behrens*, 6698-6700, 6705-17, 6718-20, 6745-52.  
*Oldroyd*, 14,095-14,100, 14,105-12, 14,158-67, 14,204-  
 48, 14,183-7.

## NATURE AND EXTENT OF DEPRESSION :

*Mitchell*, 3780-87, 3830-1, 3833-6, 3855-8, 3931-5,  
 3967-8.  
*Brown*, 4600-11, 4618, 4681, 4687-9, 4709-18, 4624,  
 4626, 4639-42, 4693-01, 4761-4, 4632, 4672-3,  
 4888-91.  
*Schulze*, 5365-7, 5377-9, 5459-66, 5478-80, 5416-20.  
*Bousfield*, 6278-80, 6337-9, 6490-3, 6281-8, 6326,  
 6349-52, 6429-45.  
*Behrens*, 6721, 6835, 6917-22, 6973-6.  
*Oldroyd*, 14,191.

## FOREIGN COMPETITION :

*Mitchell*, 3851-4, 3874-7, 3883-3920, 3928-33, 3997-  
 4006, 4010, 4029-38.  
*Brown*, 4612-3, 4683, 4781-4815, 4866-71, 4620-3,  
 4702-8, 4833-8, 4905-19.  
*Schulze*, 5467-77.  
*Bousfield*, 6281-8, 6454-5, 6321-5.  
*Behrens*, 6792-5.  
*Oldroyd*, 14,136-54.

## FOREIGN TARIFFS :

*Mitchell*, 3798-3810, 3934-5, 3874-7, 3883-3920,  
 3963-4, 3997-4006, 4011-15, 4051, 4056.  
*Schulze*, 5368-75, 5384-5415, 5443-51, 5481-7, 5425-  
 9.  
*Bousfield*, 6393-6417, 6532-3, 6400-17, 6446-8, 6569-  
 76.  
*Behrens*, 6741-4, 6747, 6796-6810.  
*Oldroyd*, 14,101-3, 14,113-28, 14,193-6.

## EFFECTS OF CHANGES OF FASHION :

*Mitchell*, 3859-69, 3872-3.  
*Brown*, 4626-9, 4880-91.  
*Schulze*, 5376, 5439-42.  
*Bousfield*, 6292-7, 6343, 6357-72.  
*Behrens*, 6722-4, 6977-9.  
*Oldroyd*, 14,128-52.

## REMUNERATION AND EMPLOYMENT OF LABOUR :

*Mitchell*, 3811-14, 3832, 3906-14, 3936-43, 3948,  
 3971-7, 4039-40.  
*Brown*, 4668-71, 4748-56, 4893-6, 4900-4.  
*Schulze*, 5381-2, 5421-3, 5425-9, 5453-8.  
*Bousfield*, 6298-6309, 6332-6, 6340-1, 6418-28, 6354-  
 6, 6514, 6389-92, 6455-9.  
*Behrens*, 6753-6, 6836-51, 6923-35, 6876, 6937-41,  
 6896-905.  
*Oldroyd*, 14,134-6, 14,164, 14,199-203.

## TECHNICAL EDUCATION :

*Mitchell*, 3960-2, 3969-70, 4044-50.  
*Brown*, 4643-6, 4653-4, 4719-24.  
*Schulze*, 5382.  
*Bousfield*, 6300-7, 6314, 6373-8, 6449, 6474-82.  
*Behrens*, 6785-90.  
*Oldroyd*, 14,176-82, 14,253.

## ANALYSIS OF EVIDENCE OF INDIVIDUAL WITNESSES.

## MR. CHRISTIAN ALLHUSEN:

Has been largely engaged in business in the North of England during the last 60 years, and is able to speak more particularly as to the chemical trade, 13,661.

The chemical trade is somewhat better than it has been, but, on the whole, it is not satisfactory, 13,662.

Course of the trade in late years, 13,663.

Proportions of home and foreign trade, 13,664, 13,665.

The depression is in consequence of over-trading and competition, 13,666.

Foreign competition, 13,667-70, 13,721, 13,722.

Rates of wages and efficiency of labour, 13,670-73. Strikes, 13,672-74, 13,684. Trade organisations, 13,678-83, 13,686-706. Hours of labour, 13,711, 13,723-27.

Cost of production must be lessened, 13,675, 13,707; and wages lowered, 13,676, 13,677, 13,708, 13,712, 13,713, 13,723-27.

Technical education, 13,685.

Local and imperial taxation, 13,709, 13,710.

Foreign tariffs, 13,714-18. Effect of foreign tariffs on foreign competitive power, 13,719, 13,720.

## MR. SAMUEL ANDREW, MR. SAMUEL TAYLOR.

Mr. Andrew is Secretary to the Oldham Master Cotton Spinners' Association. Mr. Taylor a millowner at Oldham, 4286-87.

Statistics and description of spindles, 4289-92. Share of Oldham in the cotton spinning trade, 4293.

The cotton trade is in a very depressed condition, 4294. Diminution of profits, 4295-96, 4419-33; quantities produced, 4297-99. Increase of number of persons employed not proportionate to increased number of spindles, 4298. Depression felt since 1875, 4304. No increase of trade in any direction, 4306. Number of unemployed, 4465-68. Relative effect of depression on capitalists and workmen, 4478-85. Effect of depression in other trades and in agriculture, 4570-78.

The fall in the exchange of silver has had a good deal to do with the depression, 4300. Illustrations of effect of the fall in exchange, 4346-47, 4410-18. Course of export trade to silver-using countries, 4569.

Proportions of home and foreign trade, 4301-3, 4305, 4318, 4434.

Increase of foreign competition, 4307, 4511-13; in our colonies, 4510; not to any great extent in the home trade, 4319, 4509. Causes of increased efficacy of foreign competition, 4320, 4404-6, 4530-31, 4542-43. Possibility of lessening the cost of production, 4377-79. Cost of production abroad, 4442-45. Establishment of English manufacturers abroad, 4525. Importation of foreign goods, 4526-29. Comparative development of British and foreign productions, 4546-53.

Increase of spinning in India, 4308-14. Effect of the silver exchange, 4415-16.

There has been over-production in the cotton trade, 4315-16. Comparative increase of population with increase of production, 4317. Explanation of over-production, 4355-58, 4372, 4544-46.

Consular aid to English manufacturers, 4320-23, 4450-54, 4565-68. Appointment of a minister of commerce or a permanent commission of trade, 4360-64, 4459-61. American consular representatives and reports, 4455-58.

Museums of patents, 4324.

General education of our manufacturers should be improved, especially in foreign languages, 4325-27.

Effect of limited liability companies on the cotton trade, 4328-29, 4334-35, 4390-92, 4579-80, 4590-93. Details as to dividends, &c. of Oldham companies, 4330-32, 4393-96. Proposed alterations of the law, 4333, 4388-89, 4581-82. Proposed publication of accounts, 4336, 4586-89. General effect of the limited liability principle, 4397-400, 4486-508. Relative results of loss of capital by limited companies and private traders, 4486-508, 4514-21. Operation of the French law, 4585.

Method of distributing goods, 4337-45, 4358-59, 4373.

Conferences of masters and workmen, 4348-54. Comparative efficiency and cost of English and foreign labour, 4365-71, 4407-9, 4524. Changes in the relation between capital and labour, 4401-3. Effect of Factory Acts and hours of labour, 4462-64. Establishment of a

MR. SAMUEL ANDREW, MR. SAMUEL TAYLOR—  
*continued.*

labour bureau or registration office, 4469-71. Co-operation, 4472-74. Reduction of price of labour, 4475-77. Changes in rate of wages, 4532-38. Female labour in England and abroad, 4539-43.

Effect of foreign tariffs, 4374-76, 4554-65. Effect of imposition of import duties on foreign manufactures, 4435-36.

Railway rates, 4380-87, 4437-41, 4446-49.

Development of new markets, 4522-23.

## MR. F. P. BARLOW:

Has visited paper-making districts in Germany, 14,610, 14,683-4.

Causes of successful foreign competition, 14,610-17, 14,627, 14,642-55, 14,693-14,707.

Opinion as to protective duties, 14,618-27, 14,652-68, 14,680.

Growth of Indian paper-making industry, 14,628-35.

Labour in this country and abroad, 14,610, 14,646-50, 14,681, 14,708-9, 14,732.

## SIR JACOB BEHRENS:

General observations as to trade and industry of Bradford, 6698-700. Is only prepared to deal with the wool industry, 6699. Position of other trades and industries of the district, 6737-40. Transfer of manufactures from Scotland and the West of England, 6734-37, 6856. Distinction between worsted and woollen industries, 6852-55.

Irish wool and woollen industries, 6962-72. Trade depression generally, 6980-88.

Proportions of trade with home and foreign markets, 6701-4. Progress of the worsted dress goods in Bradford for the past 12 years as compared with foreign countries, 6857-75, 6877-82.

Progress of volume and value of trade from 1865 to 1884, 6705-10. The wool trade cannot be called depressed, 6835, 6917-22, 6973-76. Board of Trade statistics of imports and exports of worsted and woollen goods, 6883-86, 6947-51. Fluctuations in profit from 1860 to 1885, 6711-12.

Amount of capital invested and quantity of labour employed, 6713-17. Fall in prices, 6887-89.

Number of persons employed in textile industries, 6896-905.

What is the normal level of Bradford trade, 6718-20. Rents in Bradford, 6906-10, 6952-61. Reserves of Bradford banks, 6911-12.

The immediate prospects of trade, 6721.

Causes of depression prior to 1880, 6721.

Effect of change of fashion, 6722-24, 6977-79.

Bradford spinners are now better able to meet demands for both hard and soft yarns, 6725-31.

Differences between combed and carded goods, 6732-33.

Consumption of wool in the United Kingdom, 6890-95.

The effect of foreign tariffs, 6741-44, 6747.

German competition, 6792-95.

French import duties on cotton yarns, 6796-6810.

Decided increase of our exports to the colonies, 6745-46, 6748-52.

Rate of wages, 6753.

Effect of changes in the hours of labour to the requirements of the Factory Acts, 6754-56. Comparative efficiency of English and foreign labour, 6836-38, 6923-36. Hours of labour in England and France, 6839-51, 6876. Female labour in England and abroad, 6937-46.

Consular assistance and publication of information as to tariffs, &c., 6757-62. Consular reports, 6763-72. A permanent trade commission, 6773-74. Chambers of commerce, 6775-83.

Museums of patterns, 6784.

Technical or artistic instruction, 6785-90.

Limited Liability Acts, 6791.

Railway rates, 6811-34, 6913-16.

## MR. CHARLES BELK:

Is master cutler of Sheffield, 2656.

General information as to the constitution and powers of the Cutlers' Company, and as to the depression of trade in Sheffield, 2659.



**MR. CHARLES BELK—continued.**

Further details as to the powers and constitution of the company, 2661-63, 2728-31, 2745-46, 2760-70, 2785-91, 2813-20.

Nature and extent of the depression of trade in Sheffield, 2665-78, 2727, 2893-97, 2933-41.

Depression partly due to bad harvests, 2722, 2807-10, 2874-75, 2896-97, 2937-41.

Effects of depression upon the working classes, 2678-79.

Great increase in the heavy iron and steel trades in Sheffield in recent years, 2682; the cutlery trade remaining about the same or rather less, 2684.

Nature and extent of foreign competition in the cutlery trade, 2685-88, 2700-1, 2798-2806, 2861-62, 2870-76, 2879-82, 2919-21, 2935.

Prejudicial effect of the false marking of Sheffield goods, 2690-99, 2754-56, 2811-20, 2832-37, 2877-78, 2922-23; and remedies suggested, 2694-97, 2723, 2770-80, 2820, 2823-25.

Effects of foreign tariffs, 2701, 2707-11, 2800-2, 2898-99, 2924-31; and commercial treaties, 2863-67, 2907-11, 2947-49.

Opening of new, and closing of old markets, 2704-11.

Geographical position of Sheffield, and importance of cheap land and water transport, 2712-15, 2732-33, 2736-44, 2747-51.

Increase in trade with Australia, 2716.

General statistics showing condition of Sheffield, 2717-21, 2741-44, 2757-59, 2885-87.

Observations with regard to labour questions, 2724-26, 2728-31, 2781-84, 2804-6, 2913-16.

Technical education, 2734-35, 2905-6.

Pressure of taxation, 2752.

Effect of trade depression upon cost of production, 2792-97.

Necessity of an increased demand in order to provide employment for an increasing population, 2826-31.

Proportions in which the depression has fallen upon capital and labour respectively, 2838-52, 2916.

Comparison of the habits, wages, &c. of foreign and English artisans, 2724, 2781-84, 2804-6, 2853-60, 2868-69, 2883-84.

Value of ground rents in Sheffield, 2888-92, 2942-46.

**SIR LOWTHIAN BELL, BART., F.R.S.:**

Is President of the British Iron Trade Association, 1919.

Peculiarity of the depression in the iron trade, owing to the large proportion which the cost of labour bears the whole, 1923.

Variations in the production of the different iron-producing districts, 1924-31, 2140-42.

Irregularity of the demand for iron, 1924, 3684.

Depression due both to over-production and diminution of demand, 1932-34, 1987-97.

Causes which stimulate production in the iron trade, 1935-37.

Statistics as to prices and production in recent years, 1938-41, 2115-26.

Comparative production of Great Britain and foreign countries, 1942-51, 2060, 2072-79, 3557-60.

Previous periods of depression in the iron trade, 1952.

Supply of ore in this country, and importation of foreign ore, 1954-55, 2097-98, 2128-29.

Effects on the iron trade of the large increase in manufacture of steel, 1957-59, 1971-73, 3555-56.

Use of the basic process in this country and Germany, 1960-70, 2094, 2128.

Re-action of the price of iron on the value of fuel, 1974-75.

High prices of 1873 and 1874 have produced no permanent effects on the iron trade, 1976-77.

Estimate of the probable future demand for iron, 1978, 2127-31, 3649-51, 3655-57, 3697.

Consumption of foreign countries, 1978, 2127, 3697-99, 3745.

Depression in the iron trade common to all countries, 1984-86.

Due to over-production coinciding with slight falling off in demand, 1987-97, 3667.

Causes of falling off in demand, 1998-2003.

Use of iron and steel in shipbuilding, 2008-11, 2135-37, 3537-39, 3542-54; and for railway purposes, 2012-14, 2051-55, 2100-10, 3540-41, 3652-53, 3741-63.

Competition of foreign countries, 2015-26, 2044-46, 2143-55, 3719-34; and especially of Germany, 1960-70, 2050, 2063-71, 2080-84, 2145-50, 3658-89, 3721-34; Spain, 2019-26, 2097-99; and the United States, 2077-79, 2143.

**SIR LOWTHIAN BELL, BART., F.R.S.—continued.**

Effect of reduction in freights, 2025-31.

Charges for railway transport, 2032-43, 2083, 3735, 3747.

Importance to the iron trade of cheap and efficient railway accommodation, 2156-68.

Royalties, 2061-63, 3562-83, 3594-3622. Desirability of some alteration in the mode in which royalties are fixed, 3562, 3595.

Amount of taxation in this country and abroad on manufacture of iron, 2047-49, 2138-39, 3623-27, 3634-41.

No reason to suppose that Germany is outstripping us in manufacturing processes, 2050.

Causes which enable Germany to compete with us, 2063-70.

Comparative advantages of the Scotch and Cleveland districts, 2085-96.

Observations on the "Steel Rail Ring," 2146-47, 2169-80.

Consumption and production in the United States, 3558-60, 3653, 3684-96.

Apportionment under different heads of the cost of producing iron, 3577, 3584-93, 3608, 3718.

Operation of the Coal Mines Regulation Act, 3628, 3642-44.

Contributions by employers to workmen's benefit societies, 3629.

Comparison of prices and wages in this and other countries, 3645-48, 3701-17.

Opinion as to various measures which could be adopted to remedy the existing depression, 3658-66.

Effect of foreign tariffs, 3658, 3662, 3684-96.

Technical education, 3663-66.

Effect of the Limited Liability Acts, 3668-83.

Prospects of recovery in the iron trade by opening new markets, 2127, 3697-99, 3745.

Extent to which depression is due to high wages and combinations among workmen, 3736-40.

Opinion as to desirability of increased railway accommodation, 2156-68, 3741-49.

**MR. HENRY BIRCHENOUGH:**

Is a silk manufacturer, 7336-37. Silk trade especially depressed, 7378-81.

Evidence as to foreign competition, 7338-42, 7344, 7364-68, 7386-90, 7427-30, 7443-49.

Necessity for larger experience and greater technical knowledge, 7343.

Effect of a protective duty, 7345-46, 7353-56, 7357-63. Sale of foreign goods at a loss, 7435-37. Of inferior class goods generally, 7438-42.

Increased import of silk goods, 7347-49.

Changes in fashion, 7350-52, 7421-23. Method of distribution, 7382-85, 7397-98. Incidence of taxation, 7431-34.

Education of workmen and manufacturers, 7369-70. Technical schools, 7371-72. In France, 7391-92. In Germany, 7393.

Consular agencies, 7373-77, 7424-26. Railway rates, 7396.

Relations between employers and employed, 7394-95. Rates of wages in England and on the continent, 7399-415.

Silk coverings for umbrellas, 7416-20.

**MR. W. S. BIRKIN. See p. 113.****MR. CHARLES EDWARD BOUSFIELD:**

Is engaged in the woollen manufacture at Leeds, and is acquainted with industries in France, 6272-7. Distinction between industries of Leeds and Bradford, 6342.

Employment of foreign workmen, 6483. Leeds is pretty well employed, 6484-85, 6525-31. General trade of the Leeds district, 6494-97. Distinction between the carded and the combed manufacture of wool, 6586-94.

Prices in the woollen trade depressed and profits diminished, 6278-80, 6337-39, 6490-93. Chief causes, the effects of foreign tariffs and foreign competition, 6281-88. Effect of an import duty in England, France, and Germany, 6393-6417, 6532-33. Cost of production here in England and in countries imposing protective tariffs, 6400-17, 6446-48. Effect on German workmen, 6569-76. Foreign competition generally, 6454-55. Commercial treaties, 6460-64. Imports and exports, 6498-6513. Growth of colonial trade, 6318-20. Foreign competition in neutral markets, 6321-25.

Proportions of home and foreign trades, 6289-91, 6450-53. Over-production of woollen goods, 6326, 6349-52, 6429-45. Consumption of wool and cotton in England, 6442-45, 6534-52. Causes of increased consumption

**MR. CHARLES EDWARD BOUSFIELD—continued.**

of cotton and decreased consumption of wool, 6553-68; effect of changes in taste and fashion, 6292, 6343, 6357-72; substitution of worsteds for woollens, 6293-97, 6357-72.

Improved skill of our workmen, 6298-99. Scientific and technical education, 6300-3, 6344, 6377-78, 6449, 6481-82. Schools of art and design, 6304-7, 6373-76. The Yorkshire College, 6474-80. Difficulty in getting skilled labour, 6308-9, 6379-83.

Production of raw material, 6310-17, 6384-88.

Proposed modification of Factory Acts, 6332-36, 6418-28. Diminution of wages does not correspond to alteration in prices, 6340-41, 6354-56, 6514. Trade associations, 6345-48. Hours of labour in England and abroad, 6389-92, 6455-59.

Railway charges, 6327-30, 6465-73, 6577-85. Change in method of distribution, 6353.

Limited Liability Companies, 6331.

Consular assistance, 6487-89.

**MR. WILLIAM C. BROCKLEHURST, M.P.:**

Is a silk manufacturer at Macclesfield, 7191-92.

The silk industry is very depressed, 7193-94. Statistics, 7195-98. Growth of the depression, 7199. Home competition, 7200-3. Suggestions for improvement, 7232. Protective duties, 7233, 7311. Result of French Commercial Treaty, 7252-54; of the removal of protection, 7307.

Condition of trade in France, 7255, 7326-28. Board of Trade statistics, 7324-25. Result of opening of Suez Canal, 7329-31.

Consumption of silk in England and abroad, 7332-33. Silk trade very dependent on fashion, 7204, 7256. Effect of agricultural depression, 7205. Effect of taxation on cost of production, 7248-49. Improvement in taste, 7250. Following the course of fashion, 7275-84. Manufacture of plush, 7286-98; successful competition with France in, 7299-301. French and English manufacturers, 7302-4. Export trade, 7206-9; to Burmah, 7210-12. German and English manufacturers, 7305-6. German plushes, 7312-15.

Employment of French designers in England and Germany, 7316-21.

Want of technical and scientific knowledge, 7213, 7260-61. Schools of Art, 7214-20. Government action, 7221-28. Means of teaching the trade, 7262-67. Technical education, 7222.

Museums of patterns, 7229-30.

Mode of distribution, 7243-47.

Limited liability law, 7231.

A minister of commerce wanted, 7233. Present arrangements of Government departments as to trade, 7234-36. A permanent commission, 7237-38. Consular reports, 7334-35.

Effect of trades unions and labour disputes, 7239-42, 7257-59, 7308-10. Lists of prices, 7268-70.

Rates of wages in this and foreign countries, 7259.

No trade organizations in Macclesfield, 7271-74.

**MR. F. W. BROOKSBANK. See p. 113.****MR. JAMES B. BROWN:**

Is a tweed manufacturer at Selkirk, and a member of the South of Scotland Chamber of Commerce, 4594-96.

Depression in the tweed trade consists in a falling off in volume, value, and profit, 4600-3, 4816.

The raw material has fallen in value, which is always accompanied by bad trade, 4604-8, 4618, 4687-89, 4709-18.

Depression shared equally by the home and foreign trade, 4609-11.

Some foreign competition, but not much, 4612-13, 4683, 4781-4815, 4866.

Diminution in the value of the raw material caused by the importation of Australian wool, 4617, 4681.

German competition, especially in colonial markets, 4620-23, 4702-80, 4789, 4833-38, 4866-71, 4905-19.

Slight indications of recovery in trade, 4624, 4764.

Depression much affected by changes of taste and fashion, 4626-29, 4880-91.

No over-production in his trade, 4632, 4672-73.

General depression in the south of Scotland, 4639-42.

Importance of technical education, 4643-46, 4653-54, 4719-24.

Information with regard to wants of foreign markets, 4647-51.

System of distribution, 4655-64.

Countries importing English tweed goods, 4665.

Rates of wages in foreign countries, 4668-71.

Scotch trade suffering from English worsted competition, 4626, 4693-4701, 4888-91.

o 24857.

**MR. JAMES B. BROWN—continued.**

General condition of the Scotch trade in recent years, 4725-34.

Stocks held by warehousemen in the tweed trade, 4735-47, 4757-60.

Extent to which the depression has affected capital and labour respectively, 4748-56, 4893-96, 4900-4.

Comparison of the depression in the tweed trade with that in other trades, 4761-63.

Effect of depression in agriculture on trade generally, 4765-68.

Effect of foreign tariffs, 4769-77, 4830-8.

Trade with America, 4773-80, 4863-5.

Fixed charges of a manufacturer cannot be reduced with reduced trade, 4816-29.

Wages and hours of labour at home and in foreign countries, 4793-5, 4839-41, 4847-77, 4892-913.

**MR. JOHN BURKE:**

Is a shipbroker in Belfast, 10,433.

Thinks there is no falling off in quantity of goods carried, 10,436, 10,509.

Absence of profit in the shipping trade at present due to competition and over-production, 10,437-39, 10,462-65, 10,475, 10,543, 10,560-64.

Competition of foreign and colonial shipping, 10,439-45, 10,455-61, 10,485-94, 10,497-99, 10,566-69, 10,595-602.

Effect of foreign bounties, 10,448, 10,570-75, 10,603-10, 10,613, 10,614.

Entrepôt trade and the opening of the Suez Canal, 10,446, 10,449-52, 10,471, 10,472, 10,545-50.

Effect of substitution of steam for sailing vessels, 10,453, 10,454, 10,466, 10,528-32.

Limited liability as applied to shipowning, 10,477-83.

State of the shipbuilding trade in Belfast, 10,467-70, 10,500-3, 10,521-23, 10,576-80.

Employment and wages of British and foreign seamen, 10,495, 10,496, 10,504-8, 10,513-19, 10,551-59, 10,565.

Relations of shipowners and brokers, 10,581-93.

General condition of trade in Belfast, 10,535-40, 10,615-47.

**SIR JAMES CAIRD, K.C.B.:**

Is the senior Land Commissioner for England, 7664.

Has made an inquiry into the following questions:—How much per cent. of spendable income has been lost by landlords and tenants as compared with 10 years ago? Has production materially increased in the last 20 years? Has there been any fall in the wages of labour, 7665? Northumberland and the adjoining counties, 7665-69. Durham and the North Riding, 7669-70. Yorkshire and Durham, 7670-71. Staffordshire and Shropshire, 7671. Yorkshire, Lincoln, Bedfordshire, Cambridge, Leicester, Nottingham, and Northampton, 7671. Fen country, 7671. Hertfordshire, 7671. The midland and southern counties, 7671. Kent and Sussex, 7671, 7718-23. Accounts of two large farms in Essex and Hants, 7671-72. Cumberland, Westmoreland, North Lancashire, West Northumberland, and the borders, 7672. South Lancashire, 7672. Shropshire, Staffordshire, Herefordshire, Montgomery, Worcester, and Warwick, 7672. Gloucestershire and the neighbouring counties, 7672. Somerset, Devon, Cornwall, and Dorset, 7672. Scotland, 7672. Generalisation of the results, 7673-76, 7785-87, 7952-57. Comparison with losses of other interests, 7860-62. Extent to which the depression in agriculture may be regarded as the cause of the depression generally, 7898-900.

Effect of losses on the rent of land, 7677-79, 7865-68. Difference between the reductions shown in the Parliamentary Returns and the real reductions, 7680-83, 7694-702. What is the true value of a farm, 7684-87. What is to be understood by the tenant's profits, 7688-93. Reuction of tenant's capital, 7731-33, 7743-47, 7752-54. Comparative growth of rent and cultivation, 7877-89.

Assessment of farmers to income tax, 7703-7. Assessment of lands for income tax and poor rate purposes, 7708-11, 7728-30. Incidence of taxation, 7931.

Value of labour employed per acre of land, 7712-17. Rates of agricultural wages, 7740-42, 7750-51, 7863-64. In India and Chili, 7944-45. Effect of rent upon wages, 7890-96.

Consumption of manure, and landlord's outlay for improvements, 7734-39, 7793-96. Government advances, 7950-51.

Inquiry as to average gross product per acre and proportion of rent, 7748-49. Cost of production, 7908-17, 7923-26, 7946-49. Effect of the seasons, 7820, 7843.

Comparison of amount of home and foreign supply of wheat since 1852, 7755-57, 7932. Loss sustained by

P

SIR JAMES CAIRD, K.C.B.—*continued.*

wheat growers during the last 10 years, 7758. Effect of continuous fall in price on the volume of the import of wheat, 7759. Yield of wheat per acre in last seven years, 7907. Falling off in quantity consumed per head, 7760-65, 7939-42. Cost of carriage of American wheat, 7766-67, 7769-70, 7806-11, 7918-19. The future of our wheat supply, 7768, 7771, 7777. Possibility of increase of Indian supply, 7772-76, 7815, 7869-71, 7933-35; of South Australian, 7816-17. Of Russian, 7818-19. Future changes in the system of agriculture in this country, 7777, 7820-21, 7936-38.

Causes of the present depression in agriculture, 7778-82.

Dead meat trade of New Zealand, 7812-14, 7920-23. Foreign cattle trade, 7822-42, 7901-3. Fall in prices of stock, 7850. Price of barley, 7846-49.

The effect of the appreciation of gold, 7783, 7943. The silver question in the United States, 7958-60. Increase in pauperism, 7872-76.

Recommendations of the Duke of Richmond's Commission, 7784. Light railways and facilities for communication, 7788-92. Railway rates, 7799-805, 7927-30. Cultivation of the sugar beet, 7844-45, 7904-6.

Technical instruction in farming, 7797-98. Methods of distribution, 7851-54. Sale of stock by live weight, 7855-59.

MR. F. CARVER. *See p. 113.*

MR. RICHARD CATTARNS, JUNIOR :

Is the general manager of the General Steam Navigation Co., 11,295, 11,296.

The volume of goods carried in the company's vessels has slightly decreased, and the character of the cargoes considerably changed, 11,297, 11,298, 11,560-62.

The falling off considerable in colonial produce, and British manufactures, and in the transshipment of goods, 11,299, 11,410-12.

The carrying trade is less profitable than it was, 11,300, 11,584.

Increased competition amongst shipowners, 11,301-3; and by railways, 11,304-27. Increase of foreign competition, 11,326-33, 11,421-32, 11,560-68.

Railway rates of steamship-owning and other railway companies, 11,304-27, 11,545-56, 11,580-83, 11,585-609, 11,622-51.

Communication with the continent through the port of Harwich, 11,624-47.

Foreign bounties on shipping, 11,328-33, 11,410-20, 11,573-74, 11,610, 11,611.

Changes in the British entrepôt trade, 11,334-42.

Freight rings, 11,348-61, 11,578, 11,579, 11,612-15. Single-ship companies, 11,363, 11,452, 11,458-97, 11,569-72.

The opening of the Suez Canal has had a great effect on the shipping trade, 11,362, 11,563.

The depression of the shipping trade due to excessive competition, 11,363, 11,449-51, 11,506, 11,522-32, 11,575-77.

The Limited Liability Acts, 11,363-67, 11,452-54, 11,506, 11,569-72.

A Ministry of Commerce and further consular assistance needed, 11,368-70, 11,381-409, 11,507-21, 11,543, 11,557-59, 11,619-21.

The Bank Holidays Act, 11,370-80, 11,616-18.

Board of Trade regulations, 11,427-48, 11,533-38, 11,565-68.

Mutual insurance, 11,455-58, 11,498-504. Cost of insurance, 11,459, 11,539-43.

Profits of managing owners, 11,460-97, 11,505. Address commission, 11,476-78.

SIR GEORGE CHAMBERS, MR. JOHN E. TINNE :

Represent the West India Committee and the West India Association of Liverpool, 12,897-99.

Statistics showing present depression in sugar trade, 12,901-9, 12,945, 12,990-13,028.

Depression entirely due to bounties, 12,910-13, 13,103-5.

No increase in cost of production, 12,950-52.

Enumeration of bounties given by different countries, 12,915-28, 12,957, 13,083-90.

Effect of bounties in stimulating production, 12,929-31, 12,998-13,020, 13,109-12.

Increase of bounty-fed as against non-bounty-fed sugar, 12,932.

International Sugar Convention of 1864, 12,933.

Conclusions of Select Committee of 1880, 12,934.

Possibility of countervailing the bounty by import duty, 12,935-40, 12,987, 13,040-61, 13,126-34.

SIR. GEORGE CHAMBERS, MR. JOHN E. TINNE —*continued.*

Subsidiary trades and interests affected by the sugar industry, 12,941-43, 13,063-65, 13,098, 13,099, 13,101, 13,102, 13,106-68.

Effect of bounties on employment of capital and labour in our colonies, 12,941-43, 12,945-49, 12,962-85, 12,988-89, 13,066-79, 13,113-17.

Estimate of the effect of the bounties on British trade generally, 12,945-49.

Objects of foreign countries in giving bounties, 12,952.

Cane sugar could compete effectually with beet root sugar were it not for the bounties, 12,953-56, 13,029, 13,108.

Bounties have compelled the sugar industry to be very watchful in reducing cost of production, 12,959-61.

Effect of a countervailing duty on the consumer, 13,032-45, 13,121, 13,135-94.

Negotiations between the United States and the West Indian Colonies in 1884, 13,069-78, 13,100.

Probable effect of countervailing duties on foreign countries, 13,122, 13,123, 13,135, 13,152, 13,153.

MR. GEORGE CHATER :

Is a papermaker and wholesale stationer, 14,380.

Increase in production of paper, 14,385-6.

Nature of the depression in the paper trade, 14,387-93, 14,417-23, 14,518-93.

Trade with India and the Colonies, 14,394-14,403.

Foreign competition, 14,397, 14,401-405, 14,424-35, 14,457-63, 14,470-5, 14,485-89, 14,594-600.

Limited liability, 14,407-11, 14,446-53, 14,495-8.

The labour market and rate of wages, 14,412, 14,419-23, 14,434-5, 14,440-5, 14,499-14,507, 14,582-6, 14,601.

Opinion as to imposition of import duties, 14,413-16, 14,436-9, 14,508-12, 14,574.

Railway rates, 14,455-6.

Effect of the abolition of the paper duties in this country, 14,464-6, 14,477-84, 14,490-4, 14,513-17.

MR. R. CLARK :

General account of state of trade in Macclesfield, 14,055.

Rent of workmen's dwellings, 14,057-61, 14,082-84, 14,089, 14,090.

Account of a visit to America, 14,062-67.

Difficulties of emigration, 14,068-70, 14,085.

Is in favour of protection, 14,071, 14,086, 14,087.

Depression in Macclesfield not due to labour difficulties, 14,073-75.

Explanation as to proposed deputation of workmen to visit the continent, 14,077-81.

MR. JOHN COLEMAN :

Has large experience as land agent and practical farmer, chiefly in Yorkshire, and has also visited America, 8991-93.

Opinion as to the loss sustained in recent years by landowners and farmers in the northern counties, 8994, 8996, 9051-55.

Increase in the use of nitrate of soda, 8995-9000.

Small stock and dairy farmers have suffered least, 9000-3.

Cost of working an arable farm in the North Riding, 9003-6.

Improvement in class of persons taking farms, 9007.

Amount of capital required per acre, 9008-10.

Amount of the reduction in the average value of produce per acre, 9011-16.

Proportions in which reduction has been due to fall of prices and bad seasons respectively, 9017.

Information as to the diminished purchasing power of the agricultural community, 9018-45, 9050.

Reduction in the cost of living, 9047-50.

Reduction in rents in recent years, 9056-61.

As to the possibilities of profit in agriculture, 9062-70, 9076, 9077.

Cost of producing the principal agricultural products, 9071-75.

Cost of labour, 9073-75, 9106-9.

Changes in system of agriculture, 9078.

System of distributing agricultural produce leaves a large margin to the middleman, 9079, 9100-4.

Burden of taxation on agriculture, 9080, 9085-89, 9098, 9099.

Tendency towards smaller holdings, 9081, 9082.

Conclusions of the Duke of Richmond's Commission, 9083.

**MR. JOHN COLEMAN—continued.**

Depression in agriculture closely connected with the general depression of trade, 9062-64, 9084.  
 Railway facilities and charges, 9090-93.  
 Want of facilities for obtaining capital by farmers, 9094-97.

**MR. C. E. COLLYER:**

Is a produce broker in London, 10,648, 10,649.  
 No decrease in volume of trade, 10,652-55.  
 Recent changes in the course of trade, 10,657-60.  
 Complaint of Luton Chamber of Commerce with regard to preference given to foreign ports by shipowners, 10,660-62, 10,673.  
 Differential freights in the China trade maintained by associations of shipowners, 10,663-735.  
 Transfer of some branches of trade from England to the continent, 10,736-61.  
 Too great facilities given by bankers to shippers, 10,762-77.

**MR. D. E. COLNAGHI:**

Is Consul General at Florence, 361.  
 Extent of depression of trade in Italy, 365, 422-24, 440.  
 Increased production in certain branches of industry—cotton, jute, and machinery, 446.  
 State of agriculture, 365, 420-24.  
 Cotton industry, 365, 433-36, 446-54.  
 Pressure of local and general taxation, 376, 394, 437.  
 Rate of wages and hours of labour, 366-70, 407, 408, 416-19, 438, 442-45. Trade guilds and benefit societies, 399, 404-406. Strikes, 402, 403.  
 Facilities granted to industry by the Government, 377, and to public works—the St. Gothard Railway, 385-92.  
 Banking system, 425-28, 439.  
 Limited liability, 395, 396.  
 Effect of the opening of the Suez Canal, 449-53.  
 Leading features of British trade with Italy, 363, 364.  
 Employment of British capital in Italy.—Sir W. Armstrong & Co.'s works, 375, 378-84, 409-15.  
 Some portion of trade formerly carried on with Great Britain diverted to Belgium, Germany, and Switzerland, who have advantage of direct railway communication, 372, 373.  
 Comparison of charges for sea and land transit, 397, 398, 400.  
 Recent alterations in Italian tariff, and substitution of specific for ad valorem duties, 371. Regulations with regard to tare, 371.

**MR. J. A. CROWE:**

Is commercial attaché to embassies and legations in Europe, 926-29.  
 Extent to which depression of trade exists in European countries, 930-61.  
 State of the iron trade, 934-39. Silk, woollen, and ribbon trades, 933, 941-53.  
 Condition of the working classes, 1011-13, 1076-79.  
 Rate of wages, 940, 995-98, 1023-29.  
 Hours of labour, 991-94, 1009-10, 1033-45.  
 Facilities afforded to trade by foreign Governments, 962-69.  
 Effects of foreign tariffs, 966-76, 1057-59.  
 Shipping and other bounties, 977-80, 999-1008.  
 Sugar industry and bounties, 1068-75.  
 Pressure of taxation, 981-90, 1014-21.  
 Extent to which machinery is now produced abroad, 1053-56.  
 Trade in Germany, 930-32, 961-68, 1030-32, 1046, 1047, 1051, 1052, 1060-68.

**MR. T. L. DEVITT:**

Is a shipowner in London engaged chiefly in the Australian trade, 10,270-73.  
 Nature of depression in the shipping trade, 10,274-82, 10,309, 10,323-28, 10,427.  
 Falling off in the entrepôt trade, 10,283-89, 10,376-99.  
 Effects of the opening of the Suez Canal, 10,290-96.  
 Freight rings, 10,297-304, 10,312-20, 10,329-70, 10,400-26.  
 Comparative use of steam and sailing vessels, 10,305-8.  
 Bounties and subventions of foreign countries, 10,321-23.  
 Limited liability in shipowning, 10,371-74, 10,428-32.

**MR. J. WILLIS DIXON:**

Is President of the Sheffield Chamber of Commerce, 1339.  
 Symptoms of trade depression in Sheffield, 1341, 1430-55.

**MR. J. WILLIS DIXON—continued.**

Decreased production and profits in principal trades, 1342-43, 1347, 1471-76; not shared by silver, 1346.  
 Agricultural depression re-acts on trade, 1363-64.  
 Depreciation in house property, 1349-54. Ground rents, 1480-90.  
 Effect on trade of excessive railway and shipping rates, 1357-62, 1371-72, 1413-23, 1425-27, 1456-59.  
 Foreign tariffs, 1364, 1394-1400, 1432-39.  
 Cut glass trade, 1369.  
 Australian, South African, and South American markets falling off, 1364-68.  
 Functions of the Chamber of Commerce and Cutlers' Company, 1373-74, 1377-79, 1420-21.  
 False marking of goods, 1375-77, 1411-12, 1467-70.  
 Technical education and apprentice system, 1379-85, 1401, 1424, 1499-1501. Trades unions, 1405-10, 1496-98.  
 Bankruptcies and private arrangements, 1386-87.  
 Extent and effects of German competition, 1389-1400, 1491-95.  
 State of the labour market, 1443-55, 1460-66.

**MR. W. A. DONALDSON:**

Is a member of the firm of James Watson & Co., iron merchants, of Glasgow and Middlesbrough, 2524-26.  
 Existing depression in the iron trade is both in volume and price, 2527-29.  
 Volume has decreased 25 per cent. since 1882, and value more, 2538-40, 2544-48, 2590.  
 New fields of production and new markets have been opened, while other markets have been closed, 2530-31, 2533-34, 2561-65.  
 General increase of trade in the last 20 years, 2532.  
 The basic process has on the whole operated against the trade of this country, 2535-36, 2592, 2594.  
 British trade has not obtained its due proportion of the increased trade of the world, 2541-43, 2590-91.  
 Causes of this, 2592-2603.  
 Difference in volume of trade, stocks, and prices between 1880 and 1882, 2549-60, 2569-73.  
 Depression intensified by the operation of foreign tariffs, 2573-74.  
 Large increase in the power of production of the world, 2575.  
 Importation of foreign girder iron, 2576-89.  
 Effect on our power of competing with other countries of hours of labour, the Mines Regulation Act, railway rates, royalties, 2595-603.  
 Observations on the subject of railway rates, 2604-16, 2633-49.  
 German competition assisted by importation of Spanish ore, 2613-25.  
 Development of Indian and Colonial trade, 2627-32.

**MR. S. B. L. DRUCE:**

Is a barrister and secretary of the Farmers' Club, formerly an assistant commissioner under the Duke of Richmond's Commission, 9110-12.  
 Estimate of loss sustained by the agricultural interest in recent years, 9113-35.  
 Average reduction of value of agricultural produce per acre, 9136, 9137.  
 Agricultural depression due in first instance to bad seasons, and latterly to fall in prices, 9138, 9139.  
 Diminution of the purchasing power of the community owing to agricultural depression, 9140, 9141, 9216.  
 Doubts if the cultivation of land can be made remunerative at present prices, 9143-48, 9201-5.  
 Cost of producing wheat, 9149-63, 9217-23.  
 Suggestions as to improved methods of distribution, 9164, 9165.  
 Management of land in the hands of corporate bodies, 9166-73.  
 Extent of the burden of taxation on the agricultural industry, 9174-89, 9206.  
 Charges of railway transport, 9190-95.  
 General style of living among farmers, 9196-9200.  
 Development of railways in agricultural districts, 9208-13, 9224-26.

**MR. JAMES DUNCAN:**

Gives information as to growing sugar beet in this country, 13,278-318.  
 Advantages in the establishment of such an industry, 13,319-24.

**MR. T. P. DUNKERLEY:**

Is a manufacturer at Macclesfield, 7588-89. His trade is depressed, but not permanently, 7590. Is rather sanguine as to the future, 7591-92. Does not think protection necessary, 7593-94, 7605. Longer hours and lower wages, 7595, 7607-63. Relations of employers and employed, 7598-99.

Technical education, 7596-97.

Colonial and South American trade, 7600-4, 7606.

**MR. T. O. EASTON:**

Represents the Lancashire Sugar Refiners' Association. Concurs generally in Mr. Martineau's evidence, especially as to the small gain which the bounty causes to the consumer, 13,325.

**MR. JOHN D. ELLIS:**

Is Chairman of John Brown & Co. and of the South Yorkshire Coal Association, 3002.

Nature and extent of depression in the coal trade, 3007-21, 3062-3102, 3107, 3139-45.

Effect of recent legislation on the coal trade, 3022-23, 3108-12.

Coal trade much affected by charges for transport, 3020-21, 3024-61, 3118-3126, 3135-38, 3166-77.

Production of coal, 3036-42.

Effect of the depression upon the colliers, 3068-70, 3079-82, 3089-3102, 3161-63. Operation of trades unions in the coal trade, 3113-17.

Causes of the decreased profits in the coal trade, 3072-3102.

Amount of royalties, 3127-34.

Decreased consumption of coal for industrial purposes, 3142-45.

Causes of general depression of trade, 3146-48.

Loss of markets in other countries which now supply themselves, 3148-53.

Depression in the iron trade, 3178-90; due chiefly to the falling off in the demand for wrought iron, 3187-90, 3220-21.

Migration of the iron trade to the coast, 3192.

Importation of foreign ore, 3193-97, 3226-31.

Depression in agriculture leads to a falling off in the demand for agriculture implements, 3198-3202.

Heavy steel and rail trades have left Sheffield district, 3203-6.

Foreign competition, 3207-10.

Opening of new markets, 3211-16.

Extension of railways, 3213, 3217-19, 3232-34.

Probable effect on our trade of importing our food supplies from India and the Colonies instead of from America, 3235-60.

**MR. D. EVANS:**

Is a silk merchant and small manufacturer, 7464-66. The silk trade is in a depressed condition, 7468. Causes, change of fashion, 7469-70; diminished purchasing power, 7471.

French and German competition, 7466-67. Growth of American manufactures, 7471. Effect of silkworm disease, 7472. The wages question, 7472. Spanish trade, 7473-74. Board of Trade statistics, 7474-78.

**MR. JOHN EVANS, F.R.S.:**

Represents the Papermakers' Association, 14,256-9.

Growth of foreign competition since the repeal of the paper duty, 14,262-4, 14,366.

Advantages of production on a large scale have resulted in over-production and the elimination of the smaller manufacturers, 14,263-72, 14,281-2.

Opinion as to the imposition of import duties, 14,273-80, 14,325-8, 14,333-7.

Effects of protective duties in foreign countries, 14,262-3, 14,290-310.

Operation of the Factory Acts, 14,311-14.

Limited liability, 14,266-7.

Effect of the depression on labour, 14,315-22, 14,329-33, 14,356, 14,365-8.

Period during which the depression in the paper trade has lasted, 14,338-52.

Nature and extent of the depression, 14,340-64.

Export duties on rags, 14,262-3, 14,293-5, 14,369, 14,372-3.

**SIR T. H. FARRER:**

Opinion as to complaint that railway rates generally are too high in this country, 14,982-92.

Average rate of profit earned by railway companies, 14,983-4, 14,997-8, 15,034-40.

**SIR T. H. FARRER—continued.**

Reasons why railways are more costly in this country than abroad, 14,985-6, 15,116-8.

Effect of sea competition on railway rates, 14,987-8.

Canal competition, 14,989-90, 15,048-59.

Relations between railways and canals, 14,989-90, 15,005-6, 15,045-7.

Sea competition less effective in the case of inland towns, 14,992.

Opinion as to complaint with regard to undue preference or discrimination, 14,993-6, 15,010-12, 15,060-70, 15,072-87, 15,111-5, 15,122-6.

Complaint of obstruction on the part of the companies, 15,001-2.

Private agreements between companies, 15,003-9, 15,041-4, 15,094-15,100.

As to amalgamation of companies, 15,014-16.

Opinions of the several committees which have considered the question of railway rates, 14,995, 15,026-33.

Government control over railways 15,071-2.

Proposed legislation to make control of Railway Commission or Board of Trade more effective, 14,995, 15,000-1, 15,012, 15,088-93, 15,095-6.

Effect on import and export trade of railway companies owning steam ships, 15,077-87, 15,101-110.

Effect of limited liability on the depression of trade, 15,127.

Observations on system of commandite partnerships, 15,127-15,135, 15,148, 15,167-8.

Limitation of borrowing powers, 15,136, 15,157-61.

Proposed requirement for subscription of a certain proportion of capital before registration, 15,137, 15,141-4, 15,162-6.

Compulsory publication of balance sheets, 15,138-40, 15,147-53.

Proposal to subject limited companies to the bankruptcy law, 15,145, 15,154-5.

As to individuals being registered as limited, 15,146.

**MR. JOSEPH FLINN:**

Is a maltster at Bishop Stortford and other places, 9,937-40.

Favouritism is shown to foreign as against British produce in the matter of railway charges, 9941-44. Examples, 9945-51, 9962-10,058. Effect on traders and farmers, 9956.

Objections to an appeal to the Railway Commissioners, 9952-55.

Terminal charges, 10,028-49.

The Railway Rates Bill, 9957, 9958.

Cause of unequal preferential rates, 9960, 9961. Such rates are detrimental to agriculture, 9961-67; and to some of the ports, 10,059, 10,060.

**MR. GEORGE BAKER FORSTER:**

Represents the Northumberland Coal Trade Association, 11,652-54; and is principally connected with steam coal, 11,655-58.

The present condition of the trade is very depressed, 11,656-63, 11,719-26, 11,728-30.

Cause of the good times of 1872 and 1873, 11,707.

Statistics of output, value and price of coal in the last 20 years, 11,664-70, 11,778-91.

Number of persons employed, rate of wages, and relations between masters and workmen, 11,671-77, 11,678-89, 11,720-26, 11,792-809, 11,833-41, 11,849-61.

Sliding scale of wages, 11,714-18.

Effect of the Mines Regulation Act, 1872, 11,690-98, 11,727.

Depression caused by the increased power of production coupled with a stationary demand, 11,699.

Possibility of improvement, 11,700, 11,701, 11,708.

Cost of production to be reduced, 11,847-50.

Local taxation, 11,702, 11,703, 11,766-72, 11,827-32.

Railway rates, 11,704, 11,750-65, 11,773.

Royalties, ground rents, and wayleaves, 11,705, 11,728-50, 11,750-65, 11,774-77, 11,810-26, 11,842-46.

Foreign competition, 11,706.

Trade associations, 11,709-13.

**MR. JOHN FOX:**

Is a feather, horse-hair, and bedding manufacturer in Cork, 9413, 9414.

Complaint of differential rates between Ireland and places in England, 9416-22, 9458, 9459, 9532-73.

Is in favour of State control over railways, 9425-27, 9441-45, 9458-67.

**MR. JOHN FOX—continued.**

Present system of rates is in favour of the foreign producer, 9427, 9436, 9547, 9548.

Opinion as regards the Bill now before Parliament, 9432, 9433.

Hours of labour in this and other countries, 9434-40, 9468-70, 9504-14.

Nature of the depression in his trade, 9415, 9472-78, 9515-24.

Labour questions, 9438-40, 9475-9501, 9525-31.

**MR. W. F. FOX, MR. F. CARVER, MR. B. STIEBEL, MR. W. S. BIRKIN, MR. J. T. MALLETT, MR. P. LEWENZ, and MR. F. W. BROOKSBANK:**

Are connected with the Nottingham Chamber of Commerce, 6595-96. General position of lace and hosiery trades of Nottingham, 6596-97; at Long Eaton, 6605-10; at Derby, 6611-15. Foreign competition in lace trade, 6598, 6616-23, 6637-40. Effect of German protective tariffs, 6598-601, 6603. Imposition of protective tariffs on imported manufactured goods, 6692-97.

Trade with India and the Colonies, 6598; with Spain, 6601; Board of Trade statistics, 6616-23, 6628-36.

Trades unions, 6601, 6603-4, 6608-15, 6624-27, 6668-77. Existing regulations respecting the employment of labour, 6601-34. Existing relations between capital and labour, 6601-2, 6647-60. Representation of labour on Chambers of Commerce, 6642-47. Apprenticeship system, 6661-67. Rates of wages, 6678-84, 6690-92.

Limited liability laws, 6601.

Alterations in mode of distribution, 6601. Proposal for a permanent trade commission, 6641.

**MR. R. GIFFEN:**

Is assistant secretary to the Board of Trade, 1.

Functions of the Board of Trade in regard to the trade and industry of the country, 16, 146-47.

Details of statistical information in the possession of the Board of Trade, 2-23.

Proper use and value of statistics, 121.

Table showing course of foreign trade since 1854, 24.

Calls attention to differences between figures of values and quantities, 60-69.

Quantities generally more reliable than values, 122-24.

Foreign valuations made on different data from our own, 124-26.

Depression of trade common to this and other countries, 86-88.

Increase in volume of trade as shown by production in the principal industries—coal, iron, cotton, 25-28; wool, 29-36; by shipbuilding, 36-39; and railway returns, 51-56.

Volume of trade increased more rapidly than population, 70.

Decline in some minor industries, 71-85.

Abnormal inflation of export trade in 1871-74, 126-28.

Comparison of trade with foreign countries and British possessions, 99-102.

Mr. Ritchie's return, classifying imports and exports as raw material, articles of food, manufactured and partly manufactured articles, 23, 112-14, 136, 149. Defects of this classification, 114.

Memoranda on recent changes of prices as shown in trade returns, 23.

Returns as to foreign tariffs, 2-7, 16.

Consumption of raw materials in foreign countries, 103-11.

Foreign bounties on shipping, 40-50.

Trade of Germany, 89-98.

Agricultural statistics, 11, 16.

Bankruptcy statistics, 128-35.

Emigration statistics, 141.

Statistics as to joint stock companies, 142-45.

Proportion of pauperism to population in England and Ireland, 117, 118.

Comparison of Clearing House returns with imports and exports of bullion, coinage, and note circulation, 119-20.

Miscellaneous statistics, 9, 23.

Suggestions for improvement of statistics relating to home trade, 9-12, 139-40. Remarks on statistics of home trade in the United States, 13, 14, 155-61.

Statistics relating to India, prepared by India Office, 9, 148.

**MR. JOHN GODWIN:**

Is a designer, 7513-14. The whole of the textile trades are very much depressed, 7515. Results to workmen, 7516-18. Increased number of designers employed, 7518-24. English designs greatly improved, 7525. Technical education, 7526-27. Protection necessary, 7528.

**MR. GEORGE GRIBBLE:**

Represents Cook, Sons, & Co., warehousemen, 4057-58. Has had 25 years' experience, 4059.

No personal experience of depression as concerns volume of trade, but profits diminished, 4060, 4210-14, 4228-29.

Description of the business of his firm, 4061. Relative proportions of and particulars as to their home and foreign trade, 4062-67, 4078-86, 4238-45.

Comparison with other houses, 4264-66.

Cause of diminution of profit, 4068-69, 4279.

Change in system of distribution of goods, 4070, 4094.

Effect of parcels post, 4138-42, 4154-56.

Falling off in the silk trade, 4071, 4116-18. Effect of changes of fashion, 4072-78. Use of cotton in silk manufactures, 4182-83.

French complaints as to import duty on yarns, 4184.

Competition of Germany with France, 4082-84, 4179-80.

German cotton manufactures, 4187-88. Removal of British manufacturers to Germany, 4189-91. Increase of their foreign trade in some branches as compared with English, 4086, 4173-75. Causes, 4087-89, 4108-14, 4193, 4217-19. Technical education in France and Germany, 4090; in Great Britain, 4090-93, 4119.

Museums of patterns, 4095-97. Consular aid, 4098-99.

Limited Liability Acts, 4100-1, 4120-25. Factory Acts and hours of labour, 4102, 4126-34, 4171-72, 4185-86, 4205-6, 4254-59.

Colonial trade to be encouraged, 4102-3. Foreign competition in the colonies, 4104, 4135. Colonial industries, 4105-6.

Trade marks, 4107.

Extent of foreign competition, 4108-14, 4215-20, 4246-48, 4251-53. Increase of German manufactures, 4167-70. Articles in which the French and Germans can successfully compete, 4137. German competition in linen manufactures, 4196-99. French and German competition in Balbriggan hose, 4200-4. Comparison of prices of German and English manufacturers, 4176-78, 4194-95, 4280-83. Trades unions, 4115. Hours and price of labour in France, Germany, and Great Britain, 4126-34.

Railway rates, 4142-53, 4157-66, 4260-63.

Effect of the silver exchange, 4207-9.

Increase of rent, 4222-5.

Depression of profits in France and Germany, 4226-27.

Effect of cheap prices on sales, 4230-31. Over-production, 4232-37, 4267-78.

As to successful competition of foreign manufactures in our own or neutral markets owing to protective duties at home, 4249-50.

Effect upon trade of the Suez Canal, the extension of the telegraphs, the employment of steam, &c., 4284-85.

**MR. R. P. HARDING:**

Is chief official receiver in bankruptcy, 455.

Fluctuations in the statistics of bankruptcy since 1860, 457-60; generally owing to changes in legislation, 461, 462, 562.

Tendency towards decrease in amount of bankruptcy, 465, 573.

Causes which produce bankruptcy, 463, 472-74, 578.

Opinion as to how far bankruptcy is an indication of the commercial condition of the country, 464, 564.

Condition of the trading and industrial classes generally sound at the present time, 502, 577, 579-81.

Does not think that any particular class of traders has suffered more than another, 487, 565.

Extent of the practice of private arrangements, 466, 502, 503, 561; opinion that such arrangements should be legalised, 466-71.

No information as to bankruptcy in foreign countries, 590-92.

Increasing tendency towards cash payments, 488, 577, 583.

Cheaper raw material and improvements in manufacturing processes now tell more in favour of the consumer and less in favour of the producer than formerly, 475-86, 494-96.



**MR. R. P. HARDING—continued.**

Tendency to dispense with services of the middle man, 491-93, 497-501.

While large concerns have increased, small traders have not diminished in number, 488-90.

Effect of the Limited Liability Acts on the state of trade, 504-38, 541-60, 584-89, 595. Partnerships *en commandite*, 539, 540, 549, 593.

**MR. WILLIAM J. HARRIS :**

Is a farmer in Devonshire and largely engaged in the grain trade, 9577, 9578.

Serious depression in agriculture, 9893, 9894, 9917, 9918. Farmers were prosperous from 1855 to 1870, 9674. Prices of grain and farm produce and cost of production, 9701-7, 9833-40, 9861-72. Payment of rent out of capital, 9904-9, 9914-18. Prospects of improved prices for corn and meat, 9579, 9708-11, 9841-48.

Deterioration of land consequent on loss of farming capital, 9670, 9849-56, 9895, 9896.

Prospects of the British farmer, 9580-85, 9568, 9669, 9672, 9673. Probable changes in system of agriculture, 9824-32.

Productive worth of average quality land, 9581, 9814-23.

Result of farms lying idle, 9581-87.

Value of British agricultural produce under existing and probable future conditions, 9588-90.

Effect on trade of decreased value of agricultural produce, 9591, 9592, 9807-9.

Effect of the imposition of an import duty on foreign corn and meat, 9593, 9600, 9739-52.

Future colonial and Indian imports, 9593-99, 9712-14, 9747-50. Development of Indian railways, 9593-99, 9675-77. American and colonial competition, 9608-10. American flour, 9655. Premium on rotation farming to be given, 9601-7, 9640, 9875-79, 9919.

Burdens on agricultural land, 9611-22, 9678-82, 9787-89, 9693-98, 9880-90, 9900-3. The income tax, 9910-13. Cost of carriage of foreign wheat, 9623-29. Freight of wheat and flour, 9656, 9657. Relative increase of imports of wheat and flour, 9715-22, 9736-38.

Improvement of transport facilities in this country, 9630. Light railways, 9683-88, 9791, 9792.

English railway rates, 9696, 9697.

Effect of cessation of tillage farming on employment of labour, 9631-37, 9671, 9773.

Displacement of labour in other industries, 9774-86.

The ensilage system, 9638, 9723-26, 9858-60.

Import duties on foreign manufactures suggested, 9641-48, 9765-72, 9790, 9799-813, 9926-36. Possibility and effect of a tariff war, 9659, 9760-64. Difficulties of collection, 9667.

Depression of trade in other countries, 9649-51, 9660-62, 9753-59.

Hours, wages, and efficiency of labour, 9652-55, 9689-95, 9698-700, 9729-35, 9891, 9892.

Volume and value of exports as tests of prosperity, 9663-66, 9808-10.

Effect of disease amongst stock, 9873, 9874.

Large and small holdings, 9920-25.

**MR. ALEXANDER HENDERSON. See p. 121.****MR. ALFRED HEWLETT :**

Is managing director of the Wigan Coal and Iron Co., and connected with the S. Lancashire and Cheshire Coal Association, 12,075, 12,076.

Extent and causes of present depression in the coal trade, 12,083, 12,117.

Statistics of production and export of coal since 1873, 12,084-91, 12,213-15.

Comparison of quantities and values, 12,107-16.

Production in foreign countries, 12,092-100, 12,107.

Number of men employed and rates of wages paid, 12,101-4, 12,148, 12,200-1, 12,296.

Trades unions among miners, 12,105-6.

Question of railway charges for transport, 12,118, 12,119, 12,216-94.

Royalties and mineral leases, 12,121-45, 12,163-90, 12,195-97, 12,205-10, 12,295, 12,296.

Effect of the Mines Regulation Act and other legislation on the cost of working, 12,083, 12,143, 12,144, 12,150-58, 12,160-62, 12,198, 12,199, 12,202-4, 12,211, 12,212.

**MR. ALFRED HICKMAN :**

Is largely interested in the South Staffordshire coal and iron trade, 12,500, 12,501.

Mining industry is generally depressed, 12,502, 12,503.

Railway rates, 12,503-17, 12,537-55, 12,565-90, 12,627-32.

**MR. ALFRED HICKMAN—continued.**

Water communications, 12,518-20, 12,560, 12,561, 12,598-611.

Operation of the Factory Acts, 12,521, 12,522.

Effect of currency questions on the depression of trade, 12,523-36, 12,562-64, 12,591-94, 12,612-26.

Opinion as to a permanent commission on trade, 21,556-59.

**MR. S. HINRICHSSEN :**

Is a merchant in Manchester, 6044-48.

The cotton trade has been depressed for five or six years, 6050-51. Signs of improvement, 6049, 6052-54, 6172-74. Fall in prices, 6150-51. Furniture cottons, 6103-7.

There is no country that can compete with us in staple goods, 6055-56, 6073-5. Bombay mills, 6057. Condition of German and French trades, 6058-59. Foreign competition in neutral markets, 6062. Cost of production in this country, 6098-100, 6108-16. Foreign competition in cotton, woollen, and worsted goods, 6127-40, 6152-64.

Wages and productive power of workpeople abroad, 6060-61.

Over-production, 6063-67; of French and German goods, 6167-71.

Result of protective duties in Germany, 6068-72. Trade with Spain, 6087-90; with South and Central America, 6091-97, 6101-2, 6141-50. Effect of foreign tariffs generally, 6123-26. Remedies, 6165-66.

Results of changes of taste, 6076-79.

Course of trade with silver-using countries, 6080-84. The silver question, 6085-86, 6117-22.

**MR. R. HOLMSHAW. See p. 121.****MR. HERBERT HUGHES :**

Is Secretary of the Sheffield Chamber of Commerce, 2951.

Importance of question of "marking" to Sheffield trades. Present state of the law on the subject in this country and abroad, and suggestions for improvement in it, 2952-60, 2964-73, 2980-83.

Depression of Sheffield largely due to effects of fraudulent marking, 2961-63.

Advantages of water carriage for Sheffield trade, 2974-75.

General depression of Sheffield trade, 2976-79, 2989-91, 2995-98.

Evidence of the bankruptcy and income tax statistics unreliable, 2990-98.

Foreign competition, 2984.

Effect of foreign bounties on Sheffield trade, 2999-3001.

**MR. C. M. KENNEDY, C.B. :**

Is head of the Commercial Department of the Foreign Office, 162-64.

Functions of the Commercial Department, 166-72.

Inquiries made abroad by the Foreign Office at the request of the Commission, 165. Functions of diplomatic and consular officers abroad with regard to trade, 203, 205, 281. Nature of the reports made by them, 207, 208.

Assistance received from Chambers of Commerce, 201-202, 288-89.

Reactionary character of the commercial policy of foreign countries since 1876, 189-95, 318. Not entirely the result of a protectionist policy, 196.

Disabilities affecting British trade abroad owing to differential treatment and other causes, 173-87.

Effect of recent tariff alterations on British trade, 197-98. Unsuccessful representations made to foreign governments on the subject, 199-200, 271, 319, 324-26. Substitution of specific for ad valorem duties, 214-19. Differential treatment of British goods in foreign countries, 240-49. As to imposition of retaliating duties, 239, 272-79.

Little information as to the progress of trade in foreign countries, 211-13.

Commercial policy of the United States, 241-49, 260-64, 267, 304.

Encouragement to open new markets abroad, 209-10, 251-59, 302, 314.

Encouragement given by foreign governments to trade at home and abroad, 251-59, 300, 309, 313.

Effects of drawbacks and bounties, 282-87, 307. Sugar bounties, 295-98, 324-26.

Railway facilities in foreign countries, 300, 309-11, 323.

Commercial museums, 206.

Use of commercial treaties, 220-22, 228-30. Operation of the most favoured nation clause, 221, 231-34. Necessity of tariff stipulations, 222.

**MR. C. M. KENNEDY, C.B.—continued.**

Extent to which India and the colonies are bound by commercial treaties, 236-38, 268-70.

Transfer of English capital to undertakings on the continent, 290-92, 315.

Rates of wages and hours of labour in foreign countries, 299, 321-23.

**MR. KERSHAW:**

Is a silk manufacturer, 7479-80. The silk trade is considerably depressed, 7481. Foreign competition, 7481-83, 7494-503. Relative price of labour in England and abroad, 7484-89. Relations of employers and employed, 7493.

Effect of protection, 7490-91. Enterprise of manufacturers, 7492; our foreign trade, 7493. Protection necessary, 7504-6. Sale of surplus foreign stock, 7507-12. Technical schools, 7512.

**MR. R. KNIGHT:**

Is secretary to the Boilermakers' and Iron Shipbuilders' Society, 14,733-7.

Shipbuilding trade in a very depressed condition, 14,738-42.

Over-production of shipping, 14,744-9.

Statistics of unemployed, 14,739-42.

Condition of the labour market in this country and abroad, 14,750-8, 14,774-819, 14,835-98, 14,904-79.

Foreign competition in the shipbuilding trade; state of trade in France and Germany, 14,759-73, 14,793-806, 14,821-34, 14,899-14,904.

**SIR JOSEPH C. LEE:**

Is senior partner in the firm of Tootal, Broadhurst, & Co., manufacturers, spinners, calico printers, and merchants, owner of the Rossendale Printing Co., and a director of the British Alizarine Co., 7961.

His trade with the West is depressed, the Eastern trade is not depressed, 7962, 7963. The Zanzibar trade, 8133-36.

Over-production and changes of fashion are the causes of the depression, 7964-72, 8031-33, 8223-41.

Foreign competition in the home market, 7973-76; exists principally in silk goods and the finer cotton goods, 7977, 7978. The French and Germans can compete with us apart from their protective tariffs, 8242-52; but not on their own lines in neutral markets, 8256, 8257.

Foreign competition in goods produced by hand labour, 8258-62.

Foreign workmen superior in technical knowledge and in artistic power, 7979, 7988, 7989. Difficulty of obtaining educated labour in this country, 7980, 8030.

Textile museums wanted in connexion with schools of art and design, 7981. The teaching of design rather than of art wanted, 7982-87. The State should do more, 8038. Technical schools in Manchester, 8137-58.

Injurious effect of trade combinations, 7990-98, 8040-49, 8197-204, 8209-22. The old English guild of masters and men was a better institution, 7999. Combinations of working men put restrictions on the way work is to be done, and encourage medium rather than superior class labour, 8001-8, 8079-83. Sources of his opinions on these questions, 8054-66. Strikes, 7995-98, 8072-76. Death or out-of-work pay, 8077, 8078.

Relative cost of labour in England and France, 8323-30.

Higher wages are paid than 20 years ago, 8009, 8010, 8067-71.

Effect of the Factory Acts, 8096, 8097, 8191-96, 8207, 8208; occasional relaxation of Factory Acts suggested, 8098-100. Hours of labour, 8263-77, 8331-36.

Limited liability companies have been very prejudicial, and create an unnatural competition, 8011-16, 8169-75, 8322. Amendments in the law suggested, 8051-53, 8101-4. Examination of prospectuses, 8123-32, 8183-85.

Trade has suffered from the destruction of commission houses in Manchester, consequent on the decision in *Williamson v. Barbour*, 8017-19, 8159-68, 8176-82, 8205, 8206, 8319-21.

A better knowledge of foreign markets necessary, 8020-22.

English and German consular assistance, 8337, 8338.

Chambers of commerce to be officially recognised and constituted on a different basis, 8023-29, 8289-301.

A re-arrangement of taxation as between the manufacture of English goods and the seller of foreign goods would be of no permanent benefit to trade, 8034-37, 8208-13. A duty upon foreign manufactures would increase the cost of our own productions, 8278-88. Negotiation of commercial treaties, 8302-7.

**SIR JOSEPH C. LEE—continued.**

Pressure of railway charges, 8084-95, 8105-18, 8186-91, 8314-18. Is unable to give information as to certain special charges of which he is aware, 8089-91, 8119-22.

Fraudulent under-declarations of value in the United States, 8252-56.

The North-west African Company and the Government, 8339-50.

Trading charters, 8351-54.

**MR. P. LEWENZ. See p. 113.****MR. EDWARD JOHN LLOYD:**

Is engineer and manager of the Warwick and Birmingham Canal, 13,565-67.

Comparative growth of traffic on independent and railway-owned canals, 13,568, 13,569. Arrangements between the two classes of canals unsatisfactory, 13,583, 13,626-38.

The Leeds and Liverpool Canal, 13,570. The Birmingham Canal, 13,626-38, 13,646-50.

No reliable statistics available as to canals, 13,571, 13,572. Mileage statistics, 13,590-13,592.

Purchase and control of canals by railway companies, 13,573, 13,587-89, 13,607-14, 13,645.

Improvement in carrying capacity of canals and uniformity of locks, 13,574-82, 13,607. Breaks of gauge, 13,615-19.

Relative cost and profit of railway and canal transit, 13,584-56, 13,593-602. Canals may be made to pay, 13,603-7, 13,658-60.

Railway Commission to control canals and rates, 13,609-14, 13,620-25, 13,639-44.

Effect on trade of better management of canals, 13,651-57.

**MR. GEORGE LORD:**

Connexion with the Manchester Chamber of Commerce, 5264-65. Explanation of reports forwarded to the Commission, 5316-20.

Present position of the cotton trade, 5266-67. There is some prospect of revival, 5278.

Excessive production, 5267-70, 5314-15. Prices of raw material, 5291. The effect of the fall in prices, 5321-30.

Limited Liability Acts, 5271-77.

Modes of distribution, 5278.

Competition of the Bombay mills, 5279-84, 5294-97. Extension of Indian railway system, 5287-90, 5291-93, 5297-98, 5353-56. The importance of the Indian trade, 5299.

Foreign markets and foreign competition, 5285-87. Trade with Oriental markets, 5297. Burmah, 5302.

Government departments to be more closely allied to the commercial community, 5299. Consular assistance, 5300-1.

The silver question, 5303-52. The appreciation of gold, 5327-31, 5346; a "plethora of currency," 5332-45. Effect on traders of variations in the rate of exchange, 5346-52, 5357-9.

**MR. W. WYLEY LORD. See p. 117.****MR. P. MALKIN:**

Is a silk weaver from Macclesfield, 13,728.

History of the silk industry in Macclesfield since 1842, 13,733-36.

Depression in the trade began in 1876; reduction in wages since that date, 13,736-47, 13,777-82, 13,827-33.

Depression common to both employers and workmen, 13,744, 13,849-51.

Apprentice system, 13,748, 13,749. Hours of work, 13,788, 13,789.

Technical education of workmen, 13,750, 13,759, 13,818-22.

Average rate of wages, 13,755-57, 13,829, 13,844-48, 13,934-45. Low wages appear to accompany a diminished output, 13,745, 13,868-74. General opinion as to causes of depression, 13,758.

Silk trade has not prospered since 1860, and must decline under a system of free imports, 13,775, 13,794, 13,897-903, 13,908-16, 13,965-68, 13,991-99.

Cost of production cannot be lowered to foreign level, 13,783-86, 13,864.

Foreign competition and the condition of silk trade in France and foreign countries, 13,794-817, 13,862-67, 13,877-88, 13,965-69, 13,974-90.

Comparison of quality of English and foreign manufactures, 13,823-25, 13,865, 13,866, 13,880.

Number and condition of workmen, 13,835-39, 13,917-33, 13,950-63.

Character of the Macclesfield workmen, 13,840-43.

MR. J. T. MALLET. See p. 113.

MR. JOSEPH MARTIN :

Is a tenant farmer in the Isle of Ely, 8876-83. His evidence would apply generally to the fen country, 8919-21.

Illustrations of the severity of the present depression, 8884-88, 8890, 8891, 8922-24. Has no remedy to offer, 8904, 8905.

Advances to farmers in difficulties, 8945-47.

The depression due more to low prices than anything else, 8889. Prices of dairy produce, 8898-903; of wheat, 8925-28.

Effect of agricultural depression on trade, 8892-94.

Effect of the depression on rent, 8922-24, 8949-66.

Payment of rent out of capital, 8975-8981.

Changes in the system of agriculture, 8895-97.

Cultivation of the sugar beet, 8967-71.

Does not advocate a duty on foreign produce, 8906.

Large and small holdings, 8907.

Rate of wages, 8908-10, 8929-31. Supply of labour, 8911-13. Quality of labour, 8948.

Local taxation, 8914. Income tax, 8938-41, 8981-90.

Railway charges and accommodation, 8915-18, 8942-44.

Mode of calculating tithe averages, 8932, 8933.

System of markets, 8934-37.

Sale of cattle by live weight, 8972-74.

MR. GEORGE MARTINEAU :

Is secretary to the British Sugar Refiners' Committee, 13,154.

Increase of sugar bounties in recent years, 13,156-68. Has always urged refining in bond as the proper remedy, 13,159, 13,160.

Reduction in refining in England in recent years, 13,163, 13,164.

Imports of foreign raw and refined sugar, 13,165, 13,166. Recent variations in price, 13,167, 13,174.

Effect on labour market and many subsidiary industries of reduction in refining, 13,168-70.

Effect upon the price to the consumer, 13,170-73, 13,183, 13,204-26.

Fluctuations in price and supply owing to bounties, 13,174-80.

Operation of a countervailing duty, 13,181-92, 13,195-99, 13,253-60.

Countervailing duty not inconsistent with most favoured nation treatment, 13,193, 13,194.

Thinks it would be effectual in putting an end to bounties, 13,195-99.

Possibility of growing sugar beet in this country, 13,200, 13,203, 13,266-77.

Answer given by Mr. Mundella to a recent deputation, 13,228-48.

MR. JAMES MAWDSLEY :

Is Secretary of the Amalgamated Association of Operative Cotton Spinners, extending over all the cotton manufacturing districts, and including 16,500 members, 5036-38.

Opinion as to the operation of the Limited Liability Acts, 5039-47, 5072-74, 5116-17, 5131-43, 5177-80, 5188-90.

Remuneration and employment of labour in the cotton trade, 5046, 5048-50, 5057-71, 5118-19, 5164-68, 5179-86.

Proportion of unemployed much larger now than 10 years ago, 5049-50.

Depression consists in lack of employment for labour and of profit for capital, 5052, 5072.

Infringements of the Factory Acts, 5053-54.

Technical education of workmen, 5055-56, 5085-88, 5109-10, 5169-75.

Opinion as to present relations of employers and workmen, 5063-71, 5120.

Efficiency of labour at present compared with former times, 5075-81, 5111-14.

Working classes have not benefited by increase of wages in recent years, 5082-84.

Details of allowances made to members of his society, 5089-93, 5121, 5197-208.

No contributions received from employers, 5094-97, 5129, 5125-26, 5250-56, 5259-63.

Working of the Employers' Liability Act, 5098-5100.

Action taken by the workmen to promote trade, 5101-4, 5123-24.

Opinion as to joint action by employers and workmen, 5105-108, 5115.

Views of the working classes with regard to the future of the depression, 5127-30.

MR. JAMES MAWDSLEY—continued.

Opinion as regards the introduction of machinery, 5141-43.

Foreign competition and tariffs, 5144-50, 5241-2, 5247-49.

Hours and conditions of labour in this and in foreign countries, 5146-59, 5191-6, 5247-9.

Opinion of the working classes with regard to the imposition of duties on foreign goods, 5160-63.

Comparison of result of depression to employers and workmen respectively, 5215-46, 5257-58.

Present depression not greater than previous depressions, 5235-40.

MR. H. MITCHELL :

Is a merchant in Bradford and a member of the Bradford Chamber of Commerce, 3764-65.

Was the mover of the resolution adopted by that chamber in reply to the inquiries of the Commission, 3766.

Area and industries as to which he can speak, 3767-68.

Capital and labour employed in worsted industry, 3769-74. Mohair and alpaca trade, 3775. Worsteds coating business, a new industry in Bradford, 3776, 3924-26. Silk plush trade, 3921-22. Proportions of home, foreign, and colonial trade with Bradford, 3777-80.

Diminution of trade with Germany, 3781-83. With United States, 3784-87, 3931-35.

Volume and gross value of the Bradford trade, 3788-89, 3840-41, 3844. Difficulty of obtaining information as to the home trade, 3790-93, 3949-52, 4022-24. American statistics, 4024-26.

Comparative outlay required to establish a manufactory in this and other countries, 4016-20. Proportion of cost of machinery to other capital, 4026-28.

Course of trade in the last 20 years, 3794-95. Increase of corresponding industries in France, Germany, and the United States, 3796-97, 3928. High tariffs are the cause of the increase in the United States and Germany, 3798-99, 3934-35. Effect of such tariffs on French and English manufactures, 3800. Different effect on high class French goods and common class English goods of the ad valorem and specific duties imposed by the United States, 3801-10, 4056. Reduction of foreign tariffs, 4051.

Effect of depression on the labour employed, 3811. Rate of wages, 3812-14, 3936-43. Amount of capital employed, 3815-17. Rate of profit, 3818, 3842-43. Number of persons employed, 3948.

Supply of raw wool, 3819-22. Australian supply increasing, 3823. Statistics as to supply, consumption, and export of wool, 3824-29, 3965-66, 4055.

Bradford industries not so depressed as they were a year or two ago, 3830. Reasons for improvement, 3831.

Effect on trade of changes in hours of labour, 3832, 3906-14. Of over-production, 3833-35, 3855-58, 3967-68. Incidence of taxation, 3836.

Legislation affecting trade, 3837. Railway rates, 3953-54, 3992-96.

Changes in Bradford industries, 3838-39, 3944-46, 3955-56. Decadence of old staple industries, 3845-47. Spinning of yarn for Germany and the United States, 3848-50. Reasons for increase of German competitive power, 3851-52, 3928-30. United States competition, 3853-54, 3931-33.

Decline of manufacture of worsted stuffs, and changes in that trade, 3859-68. Effect of fashion, 3869; unfavourable to Bradford and in favour of France, 3870-71. Increased demand for all wool goods distinguished from mixed fabrics, 3872-73; increased power of French competition in, 3874-77. Special causes affecting Bradford industries, 3878. Possibility of growth of bright wool fabrics, 3879; of merino fabrics, 3880-82. Causes of successful French competition in the latter, 3883-920, 3997-4006, 4010. Advantages of France in hours of labour and rates of wages, 3906-14, 4011-15, 3957-69; in technical education, 3960-62, 4007-9, 4041-43. The relative outlay for capital, 4016-20. French competition in lower class goods, 3963-64, 4002.

Efforts of Bradford manufacturers in the matter of technical education, 3969-70, 4044-45. Government aid, 4046-50. As to labour questions, 3971-77, 4039-40. French competition in the United States, 4029-38.

Effect of Franco-German war, 3794, 3978-83.

Methods of distribution in America, France, and England, 3984-92.

Consular reports and aid, 4021-24.

**MR. H. L. MÜLLER, MR. W. WYLEY LORD.**

Are general merchants and exporters; represent the Birmingham Chamber of Commerce, 1502-3.

Difficult to give information as to relative proportions of home and foreign trade, 1504-10.

Extent of falling off in volume of profits of Birmingham trade, 1511-13, 1551-57, 1647-48.

Increase of competition in recent years, 1513-19.

Increase in number of limited companies, and their effect upon trade, 1519-26, 1677-82, 1827-32.

State of the gun trade, 1527-50, 1603-12, 1622-24, 1665-73, 1812-20.

Extent and causes of over-production in Birmingham trades, 1558-70, 1584, 1596, 1679-97, 1725-23, 1806-11, 1860-62.

Extent and character of foreign competition, 1571-72, 1578-84, 1597-1600, 1603-11, 1661-72, 1694-1701, 1732-43, 1784-1805, 1814-19, 1838-40, 1885.

Decrease of purchasing power abroad, 1573-77, 1884-85.

Effects of foreign tariffs, 1585-90, 1729-31, 1774-77, 1784-85.

Trade in Birmingham largely carried on by small workers, 1591-95.

Prejudicial effects of railway rates, and consequent migration of trades from Birmingham, 1601-2, 1614-16, 1821-26, 1863-69, 1873, 1886-89, 1904-8.

Want of technical education and cultivation of taste of buyers, 1625-30, 1674-76, 1690-93, 1744-50, 1845-46.

Birmingham jewellery trade, 1635-38.

Rate of wages, employment of labour, attitude of workmen and trades unions, 1649-54, 1702, 1706-7, 1758-73, 1782-83, 1841, 1847-59.

Value of land and ground rents in Birmingham, 1655-60, 1708-16.

False marking of goods, 1717-24.

Effects on trade of the depreciation of silver, 1778-81, 1910-14.

Effects of taxation on trade in this and other countries, 1833-37.

Indian and Colonial trade, 1842-44.

Discussion by the Birmingham Chamber of Commerce as to the answers to be given to the questions of the Commission, 1870-72.

Opinion as to federation with the Colonies for fiscal purposes, 1874-83, 1915-18.

Co-operative stores, 1898-1903.

**MR. THOMAS NEILL:**

Represents the sugar refiners on the Clyde, where the industry is in a very depressed condition, 13,326.

The Clyde only recently affected, 13,327.

Countervailing duty would only restore free trade, 13,327.

**MR. JOHN NEWTON:**

Is a silk dyer, 7561. Statistics as to persons employed in silk trade, 7562-71. Wages of foreign dyers, 7572-76. Hours of labour, 7577-82. Technical schools, 7583-87.

**MR. J. O. NICHOLSON:**

Is a silk manufacturer, 7450-51. General evidence as to past and present depression, 7452-54. Personally suffers more from home than from foreign competition, 7459.

Effect of trades unions in Macclesfield, 7454. Rates of wages, 7454, 7459. Hours of work, 7456-59.

Schools of Art, 7461-62. Effect of protective duties, 7463.

**MR. MURROUGH O'BRIEN:**

Is superintendent of the Land Sales Department of the Irish Land Commission, and has directed his attention to agriculture in Ireland since 1867, 8355-57.

The present condition of farmers in Ireland is one of very great depression, 8358; particularly in the case of small farmers, 8558-65, 8416, 8417. Position of small farmers farming for subsistence, 8450-54, 8457-59, 8517-27. Comparative condition of English and Irish farmers, 8547-49, 8646-48.

Statistics as to prices and yield of cereal and other crops, 8502-5, 8606, 8607, 8624.

Statistics as to the distribution of farms in Ireland, 8359-64, 8625. Comparative prices and number of cattle and sheep, 8481-98, 8624, 8625.

General statistics of the loss sustained by the classes connected with the land, 8367, 8368, 8370-72. Effect of the loss upon rent, 8373-75, 8469-80, 8515, 8516. Statement showing reductions of rent, 8532, 8533.

o 24357.

**MR. MURROUGH O'BRIEN—continued.**

Comparison of English and Irish rents, 8560, 8561. Reduction of rent below judicial rent, 8576-78. Are judicial rents fair rents? 8577-80. Arrears of rent, 8612, 8613.

Untrustworthy character of the agricultural returns 8369, 8499-501.

Changes in the system of agriculture, 8376. Land thrown out of cultivation, 8377, 8556.

Prospects of recovery of prices, 8378-86; of cattle, 8440.

The butter industry, 8378-81, 8337-90, 8398-402, 8439, 8441-43.

Cultivation of flax, 8391-97, 8434, 8435, 8455, 8456, 8462, 8463.

The woollen industry, 8456, 8460, 8461, 8464-68.

Swiss land banks, 8403, 8588-91. Possibility of similar institutions in Ireland, 8405-11, 8418-25, 8432, 8433.

Greater fixity of tenure requisite, 8406, 8407, 8438, 8444, 8506-14, 8530, 8531, 8581-83.

Light railways, 8412-15.

Local taxation, 8383, 8384, 8546, 8594-604, 8608-11, 8653, 8654.

Imperial taxation in Ireland, 8634-41.

Position of tenants who bought their lands from the Church Commission, 8426-28.

Sale of tenant right interests, 8528, 8529, 8614-22.

Purchase clauses of the Land Act of 1881, 8429-31.

Demand for agricultural implements, 8436, 8437.

Price of agricultural labour, 8550-53, 8649-51. Migratory labourers, 8573-75.

Foreign competition, 8445-54.

Extent and scope of the operations of the Land Commission, 8534-45.

Remittances from America and the colonies to Ireland, 8551, 8554.

Investment of capital in improvements by the tenants, 8555; 8623, 8644, 8645. Causes preventing the accumulation of capital in the hands of agriculturists, 8557-59, 8584-87, 8643.

Effect of agricultural depression on other industries in Ireland, 8562-66.

Comparison between the distribution of land in Connaught and in Berne in Switzerland, 8567-73, 8628-33, 8652.

Remedies for the agricultural depression in Ireland are lower rents, a better form of tenure, land to be more easily marketable, &c., 8592-94, 8626. The causes of the depression are to some extent removable 8605.

Agricultural education, 8594, 8626, 8627.

**MR. M. OLDROYD:**

Represents the Batley and Dewsbury Chambers of Commerce, interested chiefly in the heavy woollen trade, 14,091-94.

Goods manufactured are heavy and low priced, largely composed of shoddy, 14,095-100.

Shoddy trade on the continent has been developed under a protective system, 14,101-3.

Condition of the trade at present and during the last 20 years, 14,105-12, 14,158-67, 14,204-48.

Much affected by the specific duties in foreign tariffs, 14,113-28, 14,193-96; and by changes of fashion, 14,128-52.

Wages and hours of labour, 14,134, 14,135, 14,164.

Chief features of the foreign competition, 14,136-54.

Is in favour of a minister of commerce, 14,168-76.

Extension of technical education, 14,176-82, 14,253.

The blanket and carpet trade, 14,183-87.

Yorkshire less affected by depression than other parts of the country, 14,191.

Number of persons employed in the heavy woollen trade in the last few years, 14,199-203.

**MR. SAMUEL OSBORN:**

Is a member of the Council of the Sheffield Chamber of Commerce, and largely engaged in the steel trade, 3261-63.

His trade much affected by questions of railway carriage, 3264, 3320-24.

Advantages to a manufacturing industry of being on the coast, 3265-67, 3406; but difficulties of removing are very great, 3266, 3407.

Question of trade marks important to Sheffield trade, 3268, 3317-19, 3327-38.

Importance of international arrangements on the subject, 3269-70.

Municipal legislation with regard to false marking is now satisfactory, 3271-72. Does not think there is much false marking in Sheffield, 3327-28, 3386-88.

Q

**MR. SAMUEL OSBORN—continued.**

Is satisfied with present condition of labour, 3273.  
 Observations with regard to prevailing depression of trade, 3274-75, 3363-65, 3339-92, 3408-10.  
 Competition among the railway companies not effective, 3276-80, 3295-3316.  
 Preferential rates given by the railway companies to goods for export, 3285-87, 3310-16.  
 Position of the working classes in Sheffield, 3282-84, 3288-94, 3325-26, 3351-57, 3389-95, 3408.  
 Effect of foreign tariffs on Sheffield trade, 3339-53, 3361-62.  
 Comparative merits of machine-made and hand-made goods, 3333-38, 3358-60.  
 American competition in Sheffield trades, 3366-84.  
 Question of royalties, 3395-99.

**MR. JOHN PRICE:**

Is general manager of the Palmer Shipbuilding Co. at Jarrow, 10,935.  
 Depressed condition of the shipbuilding industry on the north-east coast, 10,938-41.  
 Due to excess of tonnage built in 1881 to 1884 owing to large amount of capital offered, 10,942-52.  
 Change in character of ships now being built, 10,953-55.  
 Difficulties as regards strikes and rise in rate of wages, 10,958-76, 11,026-31, 11,039-42.  
 Extent of foreign competition in shipbuilding, 10,977-81.  
 Comparative cost of labour and production generally in this country and abroad, 10,982-90, 11,005-42.  
 Effect of foreign bounties on shipbuilding, 10,991-93.  
 Foreign and colonial demand for ships, 10,992-96.  
 Changes in method of construction and substitution of steam for sails or iron for wood, 10,997-11,001.  
 Effect of joint stock shipbuilding and shipowning, 11,002-4.

**MR. W. R. PRICE:**

Is a shipowner carrying on business in London, 10,061-63.  
 No diminution in quantity of goods carried, 10,064; but the carrying trade is unprofitable owing to the large amount of tonnage built in recent years, 10,065-68, 10,152-54. General character of the depression in the shipping trade, 10,207-26.  
 British shipping still retains its share of the carrying trade, 10,069-71; but foreign countries are drawing their supplies less through us than formerly, 10,072; this is caused partly by the opening of the Suez Canal and partly by the growth of some foreign ports, Antwerp, Hamburg, &c., 10,074, 10,097-99, 10,169-71.  
 Opinion with regard to "freight rings," 10,075-86, 10,095-97, 10,134-37, 10,160-66, 10,184-99, 10,251-60, 10,266-69.  
 Bounties given by foreign countries on shipping, 10,087, 10,105-23, 10,172-75.  
 Substitution of steam for sailing vessels, and change in character of vessels, 10,088-91, 10,139-42, 10,167, 10,168.  
 Effect of the Suez Canal on British shipping trade, 10,091-94, 10,209, 10,228-34, 10,261-65.  
 Construction of harbours of refuge, 10,100-4, 10,176, 10,177.  
 Foreign shipping should be subject to the same regulations as British, 10,123, 10,143-51, 10,178-81, 10,204-6, 10,248-50. Observations with regard to the Board of Trade regulations, 10,200-3, 10,235-47.  
 Advantages possessed by the foreign shipowner, 10,108-133.  
 Limited liability as applied to shipowning, 10,154-59.

**MR. J. S. PURCELL:**

Is registrar of joint stock companies and controller of stamps, 663.  
 Effect of the Joint Stock Companies Act on trade, 664-66.  
 Number of companies registered, 667, 670. Number of private firms converted into companies, 668.  
 Many large undertakings do not come under the Companies Acts, 669, 681-82.  
 Proportion of undertakings which turn out unsuccessful, 671, 684-93.  
 Amount of paid-up, as distinguished from nominal, capital, 672-75, 707-11.  
 No record as to borrowing powers of companies registered, or as to dividends paid, or balance sheets, 676-78, 686, 694-96.

**MR. J. S. PURCELL—continued.**

Accounts for increased number registered in last three years, 679.  
 Returns required to be made by companies, 691-97, 700-706.

**MR. JOSHUA RAWLINSON:**

Is a chartered accountant at Burnley, and Secretary of the North and North-east Lancashire Cotton Spinners, &c. Association, 5748-49. Is intimately acquainted with the trade of Burnley, 5750-51. Causes of the general depression of trade, 5946-56. Consuming power of the nation has increased, 5960-61.

Statistics of cotton trade of Burnley, 5752. The cotton trade has been very much depressed, 5753. Effect of fall in prices of agricultural produce, 5849-50, 5864, 5891-94. Railway war in America, 5971-72. Board of Trade statistics, 5975-80. The cotton, if only stationary, would be in a bad condition, 6011-18.

Price of labour reduced in consequence of the depression, 5754; with occasional strikes, 5755-60. Increased productive power of English labour, 5774-78, 5871-75. Hours of labour, 5851-58. Wages in agricultural districts, 5891. Relations of employers and employed, 5898. Trade associations, 5912-21, 5922-35, 5984-91, 5994-7, 6032-7. Present rate of wages, 6038-43. Longer hours and shorter wages, 5943-45. Fall in wages, 5973-74.

Looms, &c. standing idle in Burnley, 576-64; in Blackburn, 5765. Rents of mills and sheds, 5766-67. Fixed expenses, 5785-87, 5859-63.

Causes of the depression, 5767a. General fall in prices, 5768-72, 5846-48, 5876-84, 5957-59, 5961-64. Effect of low prices, 5967-68.

Increase in cotton machinery abroad, 5773. Cotton seasons in America, 5781. Over-production, 5783-84, 5788-89, 5859-63. Cost of production, 5899-904.

Proportions of cotton consumed by Great Britain, by Europe, and by the United States, 5779-80.

Effect of depreciation of silver, 5782.

Opening of new markets, 5790. India, 5791-93. China, 5794. South America and Africa, 5795-96. Effect of new markets, 5904-11, 5964-65, 5969-70.

Consular services, 5797.

Limited Liability Acts, 5798. Companies in Burnley, 5798-809; in Blackburn and Preston, 5810. General effects, 5811. Alterations in the law suggested, 5812-14, 5992-93. Method of liquidation, 5815-17, 6026-31. The French system, 5818-19. Accounts of companies, 5865-70, 5897, 5936-41. Effect of Acts on prices, 5895-96.

Bankruptcy Act, working of, 5820, 5827, 5838-43. Statistics for Burnley and Blackburn, 5821-22. Private arrangements, 5823-26, 5828-29. Registration of, 5831-33. Amendments in law suggested, 5830, 5998-6010, 6019-25. Audit of accounts, 5834. Registration of deeds, 5835-37. Bankruptcy returns not representative of the trade of the district, 5844-45.

Competition of America and India, 5885-90. England could hold her own against foreign competition, 5910. Foreign competition, 5966; in neutral markets, 5981-83.

**MR. GEORGE REA:**

Is a tenant farmer farming about 15,000 acres in Northumberland, 8655-61.

Agriculture in his part of the country has been very much the reverse of prosperous, 8662.

Estimate of the loss sustained by landowners and farmers, 8663-66.

The great cause of the depression is the extreme lowering of the prices, 8667-73. Bad seasons not so much so, 8674-80. Prospect of recovery in prices, 8686. Prices of stock and of butcher's meat, 8712-29; of barley, 8787-92.

Effect of the depression on rents, 8681-83, 8741-46, 8793-813; on the system of agriculture, 8684, 8685; on the profits of farmers, 8794-813. Rent, profit, and wages, 8826-54, 8858-75. Payment of rent out of capital, 8858-75.

As to alterations in the rate of wages, 8687, 8688. Amount of hand and machine labour and number of men employed, 8689, 8690. Relations between masters and men, 8710, 8711. Style of living of English and foreign workmen, 8759-63.

Small and large holdings, 8691-96.

Mode of distributing farm produce, 8697-702.

Advances to farmers in difficulties, 8703-708.

Light railways, 8709. Railway communication and charges, 8731-40.

**MR. GEORGE REA—continued.**

Effect of agricultural depression on the home trade, 8747-54, 8770-76.

Protection suggested as leading to the better employment of our population, 8755-58, 8763-66. Does not advocate a protective duty on food, 8778, 8779.

Local taxation, 8767. Assessment of farmers to income tax, 8767, 8820-25. Repair of roads, 8767-69.

Foreign competition in grain and cattle, 8700, 8701, 8777, 8780-86, 8855-57.

Sale of stock by live weight, 8814-19.

Out-door relief, 8845-51.

**MR. R. H. READE and MR. J. T. RICHARDSON:**

Are connected with the linen trade and industry of Belfast, 6989.

The trade is in an unsatisfactory condition as regards the profits of capital, but not as regards the remuneration of labour, 6990-91, 7116-21. Falling off in number of spindles, 6992-94, 7039-40. Export of linens since 1861, 6995-98, 7067, 7107. Principal markets, 6999-7004. Import of raw materials, 7017-19, 7080-83. Woollen and cotton industries in Ireland, 7021-24. Prospects of the linen industry, 7037-38. Export of yarns to foreign countries, 7054-55, 7104-6, 7160. Increased imports of yarns and linens, 7068-71, 7162-63. Causes, 7072-76.

Variations in price of raw materials and manufactured goods, 7005-9. Changes in machinery, 7013. The weaving trade, 7065-66. Causes of the general decline in the flax industry, 7091. Growth of flax in Ireland, 7140-51, 7165-71. Treatment of flax in Belgium, 7177-82. Shifting of flax trade from England and Scotland to Ireland, 7152-57. Changes in rates of wages, 7010. Hours of labour, 7011. Relations of employers and employed, 7041-45. Amount of labour employed in the textile fabrics, 7088-90. Comparison as to the skill and ability of the working class now and 20 years ago, 7101-2.

Foreign competition, 7014-16, 7050-53, 7060-64, 7172-76. Increase of number of spindles in foreign countries, 7065-60. Effect of a protective policy on German competitive power, 7084-87. Cost of production in England, Belgium, and Germany, 7108-15. English works in the United States, 7158-59.

Effect of changes of fashion, 7020.

Mode of distribution, 7048-49, 7038, 7122-32. Liquidation of stocks, 7038, 7092-100, 7122-32.

Limited Liability Acts, 7025-32, 7046-47, 7133-39.

Trade marks, 7033-35. Technical and artistic instruction, 7036, 7103.

Rates of transit to United States, 7077-79. Sugar bounties, 7164.

Agriculture in Ireland, 7183-90.

**MR. G. RENWICK. See below.****MR. J. T. RICHARDSON. See above.****MR. S. ROWLANDSON:**

Is a farmer near Darlington, and has paid attention to the question of railway charges, 9227-31.

Character and extent of the agricultural depression in his district, 9232-47, 9340-46, 9376-81.

Average land cannot now be farmed at a profit, even without paying rent, 9347-61, 9366-71.

Fall in agricultural wages in recent years, 9091-94.

Extent of land laid down in grass, 9395-98.

Complaint of preference given by the railways to foreign produce, 9248-58, 9362-65; gives example of rates charged on home and foreign cattle at Newcastle, 9252-58, 9265-69, 9305-33; also hay and corn, 9270-80, 9334-39.

Is in favour of equalisation of rates, 9262, 9263, 9372-75, 9382-85; preferential rates in favour of foreign produce should be made illegal, 9292.

Does not think that the present low prices would encourage persons to embark in farming now, 9283-90.

Opinion as to whether any further development of the railway system is required for agriculture, 9297-9304.

The home producer is at a disadvantage compared with the foreigner in not having the same amount of competition for the carriage of his produce, 9399-9406.

**MR. A. SCHOLEFIELD, MR. D. STEPHENS, MR. G. RENWICK:**

Are shipowners at Newcastle, and represent the North of England Steam Shipowners' Association, 10,778, 10,779. No falling off apparent in quantity of goods carried, 10,781-87.

**MR. A. SCHOLEFIELD, MR. D. STEPHENS, MR. G. RENWICK—continued.**

Depression in shipping trade attributable to over-production, especially of steam tonnage, 10,788, 10,789, 10,827, 10,849-51, 10,909-11.

Limited liability and single-ship companies, 10,790, 10,791, 10,928-34.

Amount of shipbuilding on the continent, 10,793-99.

Light dues, 10,800-5, 10,888.

Opinion as to shipping legislation and Board of Trade regulations with regard to overloading, &c., 10,806-26, 10,831, 10,840-42, 10,854-63.

Quarantine regulations, 10,829.

Legislation of foreign countries affecting British shipping by means of bounties, 10,831, 10,837-39, 10,891-99.

Very little foreign competition in the coasting trade, 10,832-36, 10,877-82.

Substitution of steam for sailing vessels, 10,843-46.

English entrepôt trade and the opening of the Suez Canal, 10,847, 10,848.

Number of foreign seamen employed in British ships 10,849-51, 10,872-76.

Improvements in construction of ships, 10,864-71.

Advantages of registering under a foreign flag, 10,900-8, 10,913-24.

Freights tend to encourage import trade rather than export, 10,924-27.

**MR. WILLIAM SCHULZE:**

Is a woollen manufacturer and merchant at Galashiels, 5360-64, 5431-38. Enterprise of manufacturers, 5452.

The present position of the woollen trade is very bad; no profits and considerable falling off in the demand, 5365-67.

Transfer of trade from Scotland to Yorkshire, and vice versa, 5377-79, 5459-66, 5478-80.

Effect of protective tariffs on foreign competitive powers, 5368-75, 5384-5415, 5443-51. Foreign and American demand for British manufactures, 5416-20.

Competition of German goods in neutral markets, 5467-77.

Removal of protective tariffs by means of retaliation, 5481-87.

Effect of changes of fashion, 5376, 5439-42.

Limited Liability Acts, 5380.

The labour question, 5381. Education of workmen, 5382. Earning capacity of workmen, 5421-23. Effect of protection on wages, 5425-29. Scotch, Yorkshire, and German workmen, 5453-58.

Consular assistance, 5383.

Railway rates, 5424.

**MR. JOHN SCOTT:**

Is a shipbuilder and marine engineer at Greenock, 11,863.

Depression in the Clyde shipbuilding trade, 11,864, 11,865.

Fall of wages since 1882, 11,867-72, 12,032-35.

Amount of tonnage built in recent years, 11,873-77.

Increased competition of foreign shipbuilding yards, 11,878, 11,879, 11,940-43, 11,965-85, 11,997-12,003, 12,036, 12,037, 12,045-54.

Over-production of tonnage, 11,880, 11,881, 11,890-92, 12,040.

A given tonnage now represents a larger carrying capacity than formerly, 11,882-89.

Effect of foreign bounties, 11,893-96, 11,912, 11,913, 11,915-32, 11,944-46, 11,990-12,004, 12,047-54.

Labour questions and difficulties, 11,897-902, 12,016-31, 12,062-67.

Comparison of English and foreign rates of wages and hours of labour, 11,898-902, 11,914, 11,933-38, 11,952-64, 11,986-89, 12,006-15.

Substitution of steam for sailing ships and of steel for iron, 11,903-6, 12,044.

Effect of the Suez Canal, 11,907, 12,039.

The Limited Liability Acts, 11,908-11, 12,038.

**MR. S. SELDON:**

Is principal of the Statistical Department of the Board of Customs, 327.

The foreign trade returns prepared under his supervision, 328. Mode in which the annual statement and the monthly accounts are prepared, 352-54, 332-33.

List of articles settled by the Treasury and revised from time to time, 330-31. Difficulties of classifying articles 645-54.

Mode of ascertaining values of imports and exports, 334-38, 622-26. Values do not give a very accurate



**MR. S. SELDON—continued.**

indication of the condition of trade, 339-43. Quantities more reliable, 344.

Definition of British and Irish produce—difficulty of ascertaining how much British labour enters into their production, 345-48. Exports of foreign goods described as British, 609-11, 617-20. General correctness of description of imports, 612. Values less likely to be accurate, 613-14.

Accounts of dutiable goods, more accurate than those of free goods, 615-16. Labour in examining dutiable articles much greater, 627-34.

Classification of imports and exports according to the country of origin or destination, 349-51.

Original exporter of goods rather than agent at out-port, should be made responsible for correctness of declaration, 359.

Increase of imports from United States and British possessions, 607, 608.

No accounts of goods conveyed in the coasting trade, 355. Difficulty of framing such accounts, 356, 357.

Progress in the consumption of dutiable articles compared with increase of population, 597-606; and progress of consumption of articles not subject to duty, 635-44.

Falling off in consumption of alcoholic liquors, 599-601, 656-661.

Comparison of tonnage appearing in the Shipping Returns with goods appearing in the Trade Returns, 358.

**MR. ALBERT SIMPSON:**

Is a spinner, &c. at Preston, and has prepared a statement (*see* Appendix), 5488-89. The cotton trade is "exceedingly bad," 5503-4.

Relations of employers and employed, 5490-93, 5606-7, 5649-61. Cost of labour in England and abroad, 5543-49. Hours of labour in India, 5562-68. Rate of wages not the cause of the depression, 5611. Greater efficiency of labour, 5619.

Production of raw cotton in India, 5494-500, 5558-61, 5581, 5734-37. Competition of the Indian mills, 5501-2, 5549-51, 5562-68. Development of India, 5500, 5580.

Limited Liability Acts, 5505-20, 5553-57, 5589-605, 5608-10, 5662-65, 5719-27, 5741-47.

Mode of distribution, 5673-75.

Decline in the silver exchange, a Royal Commission suggested, 5521-26, 5739. Effect of the fall, 5676-704, 5705-18. Bi-metallism, 5739-40.

Import duties suggested on foreign manufactured goods, 5527-38, 5569-79, 5620-33. Export of machinery, 5539-40, 5666-72, 5728-30. Foreign competition, 5548-52, 5731-32. Import duties on foreign corn, 5582-88, 5634-48. Removal of foreign tariffs, 5733-38.

Consular assistance, 5541-42, 5619. Railway rates, 5612-17.

**MR. J. B. SIMPSON:**

Represents the Durham Coal Trade Association, 12,297.

Nature and causes of the depression in the coal trade, 12,299, 12,428, 12,477-80.

Statistics of production, prices, and export in last 20 years, 12,299-306, 12,362-82, 12,460-63.

Effect of the Mines Regulation Act, 12,307, 12,308, 12,318, 12,491, 12,492; and the Employers Liability Act, 12,400-403, 12,483-89.

Connexion of the coal trade with other industries, 12,313-16.

Railway carriage, 12,320, 12,348-52, 12,388-92, 12,411.

Effects of the coal famine of 1873, 12,309, 12,321-29, 12,409, 12,456-59.

Opinion as to an export duty on coal, 12,332-34.

Continental production of coal, 12,335-38, 12,383-87.

Royalty question, 12,353-61, 12,407, 12,408, 12,464-73.

Cost, &c. of labour, 12,345-47, 12,404-406, 12,417-27, 12,429-55, 12,474, 12,475, 12,481-96.

Arbitration boards for regulation of wages, 12,340-44.

**MR. E. SMITH:**

Concurs generally in evidence of Mr. Malkin, 14,033.

No deficiency in technical skill, 14,034-36.

Thinks wages have been reduced more than profits of capital, 14,036-43, 14,047-52.

Opinion as to desirability of protection, 14,053, 14,054.

**MR. J. T. SMITH:**

Is managing director of the Barrow Hematite Steel Company, 2181.

History and peculiar features of the west coast iron trade, 2183-96.

Depression culminated in 1879, 2189.

Volume of trade increased up till 1882, 2197.

Present depression consists in low prices and diminished trade, 2198, 2486-88.

Causes of depression, 2490-2502.

Competition of other English iron making districts, 2199, 2460-63, 2465; and of Germany, 2199, 2203, 2371-73, 2450, 2467.

Use of the basic process in England and Germany, 2199-2210, 2214-16, 2276-77.

Effect on prices of the supply of Spanish ore, 2211-13, 2330, 2462, 2468.

Cost of production has not diminished proportionately with fall of prices, 2217-20.

Further details as to cost of production, 2304-10, 2323-35, 2417-21, 2427-48.

Amount of royalties, and opinion as to possibility of reducing them, 2221-39, 2313-22, 2353-58, 2407-9, 2411, 2422-24, 2442-48, 2520-23.

Incidence of taxation on production of iron, 2240-49, 2341, 2437.

Fluctuations in the price of imported ore, 2250-55.

Course of the iron trade with America, 2219, 2256-57, 2396-2406, 2471-82.

American consumption of steel rails, 2257-61, 2400, 2478-82.

Effect of the protective duty in America, 2259-63, 2510-19.

Comparative durability of iron and steel rails, 2265-70, 2394.

Information as to the Steel Rail Makers' Association, 2271-89, 2296-2303, 2342-46, 2352, 2359-64.

Removal of firms from the midland counties to the coast, 2292-95.

Want of railway facilities, 2311-12, 2336-40.

Supply of Irish ore, 2347-51.

Rate of wages in the iron trade, 2217, 2309, 2365-67, 2503-5, 2509.

Opinion as to future of the iron trade, 2368, 2454, 2489.

Foreign competition generally, 2369-76, 2382-90, 2483-85.

Proportion of profit taken by capital and labour respectively, 2377-81, 2439.

Production and consumption of steel rails in recent years, 2391-2403, 2412-13.

**MR. D. STEPHENS. See p. 119.****MR. MARSHALL STEVENS:**

Is the provisional manager of the Manchester Ship Canal Co., and has had considerable experience of the carrying business, 12,633, 12,634.

Classification of goods for the purposes of railway rates in England, 12,635-37; in France, 12,638, 12,825-34; in Belgium, 12,639.

Railway rates could be printed and issued to the public, 12,640, 12,641, 12,803-11.

Information as to comparative cost of railway traffic in this country and on the continent, 12,642-52, 12,837-45, 13,526-29.

Causes of the high charges in this country, 12,653.

Excessive cost of terminals, 12,654-83, 12,688-98, 12,846-59, 13,338, 13,339. Liverpool and Manchester given as examples, 12,675-83, 12,779-802, 12,812-14, 13,383-86, 13,488-95, 13,563, 13,564.

Traders to provide their own terminal accommodation, 12,846-49, 12,861.

Comparative cost of railway and canal terminals, 13,336, 13,337; and of carriage generally, 13,503-507.

Manner in which it is suggested that rates should be fixed, 12,684, 12,820-24, 12,860, 12,868-71, 13,564.

Revision of rates, 12,685, 12,835, 12,836.

Revision of railway rates in France, 12,686, 12,687.

Effect of the excessive cost of carriage upon the Manchester trade and generally, 12,694, 12,695, 12,815-19.

Private agreements between railway companies, 12,699-701.

Construction of canals by the German and Belgian Governments, 12,702-8. At Amsterdam, 13,387-90.

Cost of carriage by canal in France, 13,350.

Purchase and control of canals by railway companies, 12,709-78, 13,351, 13,352, 13,355-62, 13,369-78, 13,379-82, 13,420-87, 13,508-12, 13,530-43, 13,556-62.

Competition of accommodation as against competition in the reduction of rates, 12,850-67, 12,872-74.

**MR. MARSHALL STEVENS—continued.**

Purchase of railways by the State, 12,875-96.  
 Purchase of canals by public trusts or companies, 13,354-62, 13,513-17, 13,552-55.  
 Relative advantages of railway and water carriage, 13,328, 13,329, 13,340.  
 Growth of canal traffic in England and on the continent, 13,330, 13,331. No full returns of canal traffic available, 13,331-36, 13,347-49. Mileage statistics, 13,501, 13,502.  
 The Bridgewater Canal and the Weaver Navigation, 13,341-46, 13,363-65, 13,391-419. The Leeds and Liverpool Canal, 13,496-500, 13,544-51.  
 Present condition of English canals, 13,353, 13,518-25, and future prospects, 13,354-56, 13,366-68, 13,382.  
 Use of steam power on canals, 13,496-500.

**MR. B. STIEBEL.** See p. 113.

**MR. THOMAS STUTTARD :**

Is a member of the firm of James Stuttard and Sons, cotton manufacturers, 4914-16.  
 General depression in the cotton trade, weaving being better than spinning, 4917-24.  
 Greater falling off in the home demand than the foreign, 4925-28, 5014.  
 Nature and extent of foreign competition, 4929-51, 4974-88, 5022-23.  
 Trade with principal foreign countries, 4953.  
 India the chief market for Lancashire goods, 4958, 5030-34.  
 Competition in India, 4959-70, 5016-21.  
 Hours and conditions of labour in India, 4961, 4970-73.  
 Is in favour of duties on foreign manufacturers, 4989-92.  
 Suggestions as to action that might be taken by the Government to promote trade, 4993-94.  
 Effects of depression on labour and rate of wages in the cotton trade, 4923-24, 4995-5009, 5023-27.  
 Operation of railway charges, 5010-13.

**MR. SAMUEL TAYLOR.** See p. 107.

**MR. JOHN TINNE.** See p. 110.

**MR. J. TWEMLOW :**

Observations as to condition of French silk trade 14,000-5.  
 Growing taste for cheap goods, 14,005-10.  
 Condition of the working classes in Macclesfield, 14,011.  
 Migration of trade from Macclesfield, 14,012-24.  
 Extent of reduction of wages, 14,025-30.

**MR. S. UTTLEY, MR. R. HOLMSHAW, MR. W. F. WARDLEY :**

Mr. Uttley is a filesmith, Mr. Holmshaw, a scissors grinder, and Mr. Wardley, a knife blade forger; attend on behalf of the Sheffield Trades Council, representing about 10,000 of the working men of Sheffield, 1131-39.  
 Reasons for attending to give evidence, 1141-42.  
 Complaint of inferior quality of steel now used for Sheffield manufactures, goods being marked "shear" or "cast steel" when made from inferior kinds, 1143-44, 1212-13.  
 Difficulty of obtaining accurate information on this subject, 1144.  
 Sheffield goods losing their character in consequence of this false marking, 1144-49.  
 Name of the maker, not the middleman, should be placed on all goods, 1223-28, 1266-69.  
 Similar complaints with regard to plated articles and files, &c., 1150, 1270.  
 Depression of trade in Sheffield began in 1875, 1153-55.  
 Lack of employment for labour, 1156-60; partly owing to introduction of machinery, 1161-63, 1198-1204, 1215, 1329-33. Supply of labour, migration, &c., 1274-82, 1327.  
 American competition in scissor trade, 1282-85.  
 Reduction of 10 per cent. in wages during last two years, 1164-67.  
 Necessaries of life cheaper, 1323.  
 Difficult to give exact figures of rate of wages, as work is paid for by the piece, and much time is wasted in getting the work, 1168-77, 1326.

**MR. S. UTTLEY, MR. R. HOLMSHAW, MR. W. F. WARDLEY—continued.**

Hours of labour, 1174-78, 1334-35, 1337-38. Rate of wages for piece-work has decreased, 1179-81.  
 Diminution of production, 1296, 1318-19.  
 State of the law with regard to false marking of goods, 1185-87, 1189-95, 1229-43.  
 False marking practised both in Sheffield and abroad, 1182-84, 1214, 1256-57.  
 Powers of the Cutlers' Company, 1206-8, 1237-42, 1251-73; and chamber of commerce, 1232-36.  
 Effect of limited companies on quality of manufactures, 1196-97, 1205.  
 Inferiority of machine-made goods, 1201-4, 1210-11.  
 No objection to machine-made goods provided it is known what they are, 1219, 1331-33.  
 Technical education of workmen, and apprentice system, 1216-18.  
 Suggestion for a permanent trade council, on which capital and labour would be represented, to remedy abuses, settle disputes, &c., 1244-49.  
 House accommodation and rent, 1286-91, 1301-12.  
 Value of land, 1292-95, 1320.  
 Increase in cost of working materials, 1301, 1325.  
 Employment of women and young persons, 1313.  
 Proportion of profit falling to the manufacturer and labourer, 1296-99.

**MR. T. E. VICKERS :**

Is engaged in the heavy steel trade, 3411.  
 The trade is now much depressed, chiefly owing to extinction of trade with America, 3412-19, 3424-28.  
 Effect of changes in methods of manufacture or amount of employment afforded to labour, 3420-24.  
 Trade with our Colonies should be developed, 3429, 3446-47.  
 Steps taken to open new branches of trade, 3430-36.  
 Effect of conversion of private firms into limited liability companies, 3438-43.  
 Effect of foreign tariffs, 3444-83, 3508-18, 3527-35.  
 Extent of foreign competition, 3459-83.  
 Operation of railway charges on his trade, 3490-94, 3519.  
 Effect of "rings" in manufacturing industries, 3520-26.

**MR. JOHN H. WALKER, MR. J. JULIUS WEINBERG, MR. ALEXANDER HENDERSON :**

Are connected with the Dundee Chamber of Commerce, 6175-77. Evidence has reference to jute, 6178-81.  
 Board of Trade statistics, 6192-96. Early development of the trade, 6240-48. Other trades of Dundee, 6259-62.  
 Jute trade is unsatisfactory, 6182-83. Causes, 6184.  
 Mills in India, 6185-86, 6197-203, 6262-65. Hours of labour, &c. in India, 6187, 6268-71. Wages in India, 6256-58. Limited Liability Acts in India and Germany, 6188-90, 6253-55. German competition, 6203-6, 6222-30. Removal of capital, 6216-17, 6259. Rates of freight, 6218-21.  
 Effect of protective tariffs, 6191-92, 6249-52; of Limited Liability Acts, 6207-12. New markets, 6213-14, 6266. War has always done good to Dundee, 6215, 6231-34. Commercial Department of the Foreign Office, 6267.  
 Flax trade has to a large extent left Dundee, 6235-39.

**MR. W. F. WARDLEY.** See above.

**MR. J. JULIUS WEINBERG.** See above.

**MR. ALGERNON WEST, K.C.B. :**

Is Chairman of the Board of Inland Revenue, which controls the whole of the internal taxation of the country, 713-15.  
 Value of the Income Tax Returns as showing the actual profits of property and trade, 716.  
 Steady increase in the income of the country, except from 1876 to 1879, 717, 718.  
 Slight falling off latterly in income per head of population, 719-23. Gross amount in 1884 higher than in any year since 1876, 724.  
 Schedule A. as a whole has increased, but value of lands has decreased while messuages and tenements have increased, 727-52. Depreciation of agricultural

**MR. ALGERNON WEST, K.C.B.—continued.**

land amounts to about 5,000,000*l.*, or 7 per cent., 743–51.  
 As to mode of assessment, 737, 740–43, 766.  
 Farmers' profits under Schedule B., 753–74. Effect of reductions of rent on assessments, 743, 757–71.  
 Assessment of income from foreign and colonial securities, 775–95, 832, 834, 835, 916.  
 Improvements in mode of collecting the tax, especially on foreign investments, 788–95, 804, 808–24.  
 Income assessed under Schedule D., 796–886.  
 Amount of abatements, 797–802. Extent to which losses are set off against profits for purposes of assessment, 825–31, 836, 883–86.  
 Profits from mines, ironworks, &c., 838–66; railways and canals, 867–69.  
 Schedule E., 881–82.  
 Amount of stamp duty on bills of exchange, policies, &c., 887–98. Effect of telegraphic transfers, 888–91.  
 Licenses for carriages, male servants, &c., 899–905.  
 Consumption of beer and spirits, 906–11, 919–25.

**MR. JOHN WILLIAMSON:**

Is a merchant and shipowner at Liverpool, 11,175.  
 Has prepared tables showing the volume of our foreign trade since 1869, 11,177, 11,178, 11,241–47.  
 Carrying trade now very unprofitable, chiefly owing to excessive production of tonnage, 11,179–82.  
 Statistics of shipbuilding at home and abroad in recent years, 11,183–89.  
 Continental shipping gets a share of the carrying trade which we formerly held, 11,190.  
 Our entrepôt trade has fallen off owing to the opening of the Suez Canal, 11,191–98.  
 Opinion as to freight rings, 11,199–201, 11,258–60, 11,282–87.

**MR. JOHN WILLIAMSON—continued.**

No prospect of improvement in the shipping trade until the over-production has been reduced, 11,202–5, 11,221–24.  
 Effect of bounties given by foreign countries, 11,206–9, 11,236–39.  
 Rate of wages among seamen, 11,210.  
 Condition of seamen, 11,272–79.  
 Requirements of the Board of Trade, light dues, &c., 11,211, 11,212, 11,214, 11,229, 11,248–55.  
 Actual quantity of cargo carried has increased of late years, 11,205, 11,213, 11,227, 11,228.  
 Effect of limited liability on shipping, 11,217–20, 11,265–68, 11,288–94.  
 Cost of building ships at present, 11,231–34.  
 Effect of foreign railway rates on shipping, 11,280, 11,281.

**MR. J. WRIGHT, J.P.:**

Is President of the Macclesfield Chamber of Commerce and largely connected with the silk trade, 7529–30.  
 Free trade or protection, 7531. Effect of the French treaty, 7536–37, 7555.  
 Technical education, 7531, 7536–38, 7542–47.  
 Relative price of labour in England and abroad, 7532–35, 7539–43.  
 Proposal to send a deputation of workmen abroad, 7539–43, 7556–59.  
 Per-centage of labour on Macclesfield manufactures, 7560.  
 Sale of surplus German goods, 7547–49. Continental competition and colonial federation, 7549–51. American competition, 7552–54.

# ANALYSIS OF ANSWERS RECEIVED FROM CHAMBERS OF COMMERCE AND COMMERCIAL ASSOCIATIONS.

## INDEX TO ANSWERS.

	Number of Report and Page.		Number of Report and Page.
Aberdeen - - - - -	I. 74	Luton - - - - -	I. 96
Agricultural Engineers' Association -	III. 489	Macclesfield - - - - -	" 96
Alkali Manufacturers' Association -	I. 115	Manchester - - - - -	" 97
Barnsley - - - - -	" 74	Mining Association of Great Britain -	II. 413
Batley - - - - -	" 75	Monmouthshire and South Wales Collieries' Association - - - - -	" 419
Belfast - - - - -	" 75	Morley - - - - -	I. 105
Birmingham - - - - -	" 77	National Association of Master Builders of Great Britain - - - - -	II. 421
Birstall - - - - -	" 77	Needle Manufacturers' Association -	I. 116
Bradford - - - - -	" 78	Newark - - - - -	" 106
Bristol - - - - -	" 78	Newcastle-on-Tyne - - - - -	II. 397
British Sugar Refiners' Association -	" 115	Newport (Mon.) - - - - -	" 403
Cardiff - - - - -	" 79	North of England Iron Manufacturers' Association - - - - -	I. 117
Cleckheaton - - - - -	" 79	North Shields and Tynemouth - - -	" 107
Cleveland Ironmasters' Association -	" 115	North Staffordshire - - - - -	" 107
Coventry - - - - -	II. 385	Northern Counties Coachmakers' Associa- tion - - - - -	II. 422
Derby - - - - -	" 385	Northumberland Coal Trade Association -	" 421
Derbyshire, Nottinghamshire, Leicestershire, and Warwickshire Colliery Owners' Asso- ciation - - - - -	" 419	Nottingham - - - - -	I. 108
Dewsbury - - - - -	I. 79	Nottinghamshire and Midlands Merchants and Traders' Association - - -	II. 422
Dublin - - - - -	" 80	Oldham - - - - -	I. 108
Dudley - - - - -	" 80	Oldham Master Cotton Spinners' Associa- tion - - - - -	II. 423
Durham Coal Trade Association -	II. 420	Ossett - - - - -	I. 108
Dundee - - - - -	I. 81	Papermakers' Association - - - -	" 117
Edinburgh - - - - -	II. 387	Portsmouth - - - - -	" 108
Exeter - - - - -	I. 81	Rye District Commercial Association -	II. 427
Falmouth - - - - -	" 82	Salt (Northwich) - - - - -	I. 109
Flax Supply Association - - - -	II. 410	Scottish Papermakers' Association -	II. 428
General Shipowners' Society - - -	" 410	Sheffield - - - - -	" 406
Glasgow - - - - -	I. 83	Shropshire Ironmasters' Association -	I. 118
Gloucester - - - - -	" 84	Southampton - - - - -	" 109
Greenock - - - - -	" 85	South Lancashire and Cheshire Coal Asso- ciation - - - - -	II. 416
Halifax - - - - -	" 87	South of Scotland - - - - -	I. 109
Hartlepool - - - - -	" 87	South Staffordshire and East Worcester- shire Coal Masters' Association -	II. 419
Heckmondwike - - - - -	" 88	South Wales Association of Manufacturers of Chemical Products from Wood * -	" 429
Huddersfield - - - - -	" 89	Starch Trade Association - - - -	I. 118
Hull - - - - -	" 90	Sunderland - - - - -	" 110
Hull - - - - -	II. 387	Sunderland Shipowners' Society -	" 118
Institute of Builders - - - - -	" 411	Swansea - - - - -	" 111
Ipswich - - - - -	I. 90	Tinplate Manufacturers' Association -	" 119
Kidderminster - - - - -	II. 389	Wakefield - - - - -	" 111
Leather Trades' Association - - -	I. 116	Walsall - - - - -	II. 407
Leather Trades' Association - - -	II. 411	Wire Trade Association - - - -	I. 120
Leeds - - - - -	I. 91	Wolverhampton - - - - -	" 112
Leicester - - - - -	" 91	Worcester - - - - -	" 113
Leith - - - - -	" 91		
Linen Merchants' Association - - -	" 116		
Liverpool - - - - -	" 91		
Liverpool (American) - - - - -	II. 389		
London - - - - -	" 390		

## I.—EXTENT AND NATURE OF THE DEPRESSION.

## (a.) THE VOLUME OF TRADE:

Has been maintained, perhaps even increased.—*Aberdeen*.

Considerably more the last five years.—*Barnsley* (coal).

More than any previous period of five years.—*Barnsley* (paper, glass bottles).

Increased last five years.—*Belfast* (shipbuilding).

Unchanged as compared with 1875–80; increased as compared with 1870–75.—*Birstall*.

Increased.—*Bristol*, *Cardiff*, *Cleckheaton*, *Halifax*, *Liverpool* (corn and seed crushing), *Luton* (straw hats), *Sunderland* (shipowning, shipbuilding, and engineering), *London* (textiles and sugar refining), *Newcastle* (chemicals and shipbuilding), *British Sugar Refiners' Association*.

The jute trade since 1865 has increased largely till 1884, but has decreased suddenly, say, 12 to 15 per cent.—*Dundee*.

A slight increase in 1875–80.—*Exeter*.

The depression is not so much a decrease in the amount of volume of trade.—*Glasgow*.

Slightly increased.—*Gloucester*.

Gradually increasing.—*Greenock* (shipowning).

Has steadily increased.—*Huddersfield*.

Not decreased.—*Leeds*.

Greatly increased.—*Liverpool* (shipping).

Has somewhat increased since 1880.—*Liverpool* (sugar refining).

A large increase in the consumption of cotton.—*Manchester*.

Greater.—*South of Scotland* (hosiery), *Newport* (coal and iron).

Larger than ever, except in 1870–75.—*Wakefield*.

A general increase.—*Worcester*.

Increased 100 per cent.—*Coventry* (bicycles).

Considerably increased, except during the last two or three years.—*Edinburgh*.

Is larger.—*Hull*.

Fairly maintained, speaking generally.—*London*.

Somewhat, if not considerably, increased.—*London* (chemicals).

Since 1875 it has not varied materially.—*London* (leather).

Still large.—*London* (metals).

Increases year by year with the number of consumers.—*London* (provisions).

Much greater.—*Newcastle* (engineering and shipowning).

About the same as in 1875–80.—*Newcastle* (lead and fireclay).

Fully maintained.—*Leather Trades' Association*.

Has steadily increased.—*Needle Manufacturers' Association*.

Probably increased considerably.—*Papermakers' Association*.

Export trade increases steadily.—*Tinplate Manufacturers' Association*.

Increased.—*Leather Trade Association*, *Northern Counties Coachmakers' Association*.

Considerably greater than in any of the former periods.—*Durham and Northumberland Coal Trade Associations*.

There has been almost a gradual increase since 1865.—*Oldham Master Cotton Spinners' Association*.

Not much varied.—*Rye District Commercial Association*.

Has greatly increased.—*Scottish Papermakers' Association*.

For last five years about half as compared with 1865–75; two thirds as compared with 1875–80.—*Barnsley* (linen).

Rather less than in 1875–80; less than in 1870–75.—*Batley*.

Somewhat less.—*Belfast* (linen).

Smaller than 1865–75, but larger than 1875–80.—*Belfast* (iron foundry and machine making).

Greatly decreased.—*Belfast* (flour milling).

Steady.—*Belfast* (aerated waters).

Diminished.—*Coventry* (watches).

Diminished as compared with the year 1876 to the extent of two thirds.—*Coventry* (ribbons).

The flax industry has steadily decreased since 1876.—*Dundee*.

A steady falling off.—*Falmouth* (mining).

Stationary, or slightly declining since 1875.—*Greenock* (sugar refining).

## I.—EXTENT AND NATURE OF THE DEPRESSION—cont.

## (a.) THE VOLUME OF TRADE.—cont.

Considerably less than in 1870–75.—*Greenock* (shipbuilding).

Not materially less.—*Liverpool* (general brokers).

Decreased.—*Luton* (straw plaits).

The decrease of production is apparent.—*Macclesfield*.

The same as in 1875–80; less than in 1870–75.—*Ossett*.

A considerable falling off.—*Portsmouth*.

Decreased.—*Salt* (Northwich).

Less than from 1870–80.—*South of Scotland* (wool and woollen yarn).

Equal as compared with 1870–80.—*South of Scotland* (tweeds).

Less than from 1870–80.—*Walsall*.

Rather less.—*Belfast Linen Merchants' Association*.

Gradually increased up to 1882, excepting 1879. Since steadily declined.—*Wire Trade Association*.

Much less than in any of the periods named.—*Master Builders of Great Britain*.

Since 1880, gradually decreasing. Since 1885, rapidly declining.—*Agricultural Engineers' Association*.

## (b.) THE GROSS VALUE OF TRADE:

Smaller than 1865–75, but larger than 1875–80.

—*Belfast* (iron foundry and machine making).

Increased last five years.—*Belfast* (shipbuilding).

Unchanged as compared with 1875–80.—*Birstall*.

Slightly increased.—*Bristol*.

The value in 1875–80 somewhat less than from 1860–65.—*Cleckheaton*.

Greatly increased.—*Liverpool* (shipowning).

Increased.—*Liverpool* (milling).

Increased largely.—*Sunderland* (shipowning, shipbuilding, and marine engineering).

Increased.—*Hull*.

Greater than in 1870–80.—*Newcastle* (engineering, shipbuilding).

Much greater than in 1870–80.—*Newcastle* (shipowning).

More than in 1875–80.—*Newport* (coal and iron and steel).

Fully maintained.—*Leather Trades' Association*.

Greater than in 1876–80; less than in 1871–75.—*North of England Iron Manufacturers' Association*.

An increase, but not in due proportion.—*Tinplate Manufacturers' Association*, *Durham Coal Trade Association*.

Value of tonnage in excess of any previous period.—*General Shipowners' Society*.

Maintained.—*Leather Trade Association*.

Considerably reduced in consequence of the fall in prices.—*Aberdeen*.

Much reduced.—*Barnsley* (coal).

Considerably less.—*Barnsley* (paper and glass bottles), *Belfast* (linen).

Less.—*Batley*.

Decidedly less.—*Belfast Linen Merchants' Association*.

Very much lessened.—*Belfast* (flour milling).

The gross value has continued to decrease largely in proportion to volume.—*Dundee*.

Remains at the lowest point.—*Exeter*.

Probably decreased, more particularly during the last seven years.—*Gloucester*.

Greatly decreased.—*Greenock* (sugar refining).

Decreased largely.—*Greenock* (shipbuilding).

Less than in 1875–80.—*Halifax*, *South of Scotland* (tweeds, wool, and woollen yarn), *Newcastle* (chemicals, lead manufactures, and fireclay manufactures).

Not more than three eighths of prosperous years.—*Hartlepool*.

Not increased.—*Huddersfield*.

Sensibly reduced.—*Liverpool* (shipowning).

Probably diminished.—*Liverpool* (corn imports), *London*.

Has decreased since 1880.—*Liverpool* (sugar refining).

About stationary.—*Manchester*.

For the last five years a gradual decrease.—*Newark*.

Less than in 1870–80.—*Ossett*, *Walsall*.

Decreased.—*Salt* (Northwich), *London* (sugar refining), *British Sugar Refiners' Association*.

The same.—*South of Scotland* (hosiery).

I.—EXTENT AND NATURE OF THE DEPRESSION  
—cont.

## (b.) THE GROSS VALUE OF TRADE—cont.

Smaller.—*Wakefield*.  
A serious diminution as regards the iron trade.—*Wolverhampton*.  
Much less than at any previous period.—*London* (textiles).  
Has not varied materially.—*London* (leather).  
Not increased in equal proportion to the increase of volume.—*London* (provisions).  
Below 1870–80.—*Sheffield*.  
Much the same.—*Needle Manufacturers' Association*.  
Probably remained nearly the same.—*Paper-makers' Association*.  
Probably greater.—*Scottish Papermakers' Association*.  
Has steadily declined since 1882.—*Wire Trade Association*.  
Exports 56 per cent. less than in 1865–70.—*Flax Supply Association*.  
A serious diminution.—*Northern Counties Coach-makers' Association*.  
Since 1880, gradually decreasing. Since 1885, rapidly declining.—*Agricultural Engineers' Association*.

## (c.) THE NET PROFIT OF TRADE :

The net profit in most cases much less.—*Aberdeen*.  
Worse.—*Barnsley*.  
Considerably less during 1875–85 than from 1865–75.—*Belfast* (linen).  
Decreased.—*Belfast* (flour milling).  
Reduced as compared with 1875–80; very considerably reduced as compared with 1870–75.—*Birstall*.  
Less in proportion, arising from the great increase of wealth and accumulation of capital and consequent over-production.—*Bristol*.  
Diminished as compared with 1875–79; very much less than in 1870–74.—*Cardiff*.  
The net profit per cent. in 1880–85 is considerably less than in the three former periods.—*Cleckheaton*.  
The net profit has been gradually getting less within the last few years, and at present mills and factories are running at a considerable loss.—*Dundee*.  
Nearly 50 per cent. higher in 1865–70, and about 20 per cent. higher in 1870–75.—*Exeter*.  
There is a great falling off in the margin of profit, which in many cases has disappeared altogether, and has not unfrequently been followed by a serious loss.—*Glasgow*.  
Probably decreased, more particularly during the last seven years.—*Gloucester*.  
Contracts have lately been taken at such extremely low prices (in order to keep works open) as to yield practically no profit.—*Greenock* (shipbuilding).  
Profits have been diminishing, especially since 1882, until now they are almost nil.—*Greenock* (shipowning).  
Much reduced.—*Halifax*.  
Those concerns that are at work are not making any profit.—*Hartlepool*.  
The per-centage of profit has, during the last five years, been materially and continuously lessened.—*Huddersfield*.  
The rate of profit has been considerably reduced all round.—*Leeds*.  
Speaking generally, the period from 1880–85 may be said to be inferior in profit to any of the periods named, and more especially as compared with 1870–75.—*Liverpool*.  
Profit may be said to have disappeared.—*Liverpool* (shipowning).  
In many branches considerably less; in others small; in some a loss.—*Liverpool* (general brokers).  
The net profits . . . have seriously fallen off.—*Liverpool* (corn milling).  
Has decreased.—*Liverpool* (sugar refining).  
1865–75 were very profitable years; 1875–80 left little beyond interest on capital; while 1881–85 will scarcely do that.—*Liverpool* (seed crushing).  
Considerably reduced.—*Morley*.  
Very much decreased since the removal of the duty.—*Newark* (malting).

o 24357.

I.—EXTENT AND NATURE OF THE DEPRESSION  
—cont.

## (c.) THE NET PROFIT OF TRADE—cont.

Less than in 1865–70; much less in 1870–75; less in 1875–80.—*Ossett*.  
Decidedly less.—*Portsmouth*.  
Less.—*South of Scotland* (hosiery and woollen yarn).  
Much less.—*South of Scotland* (wool).  
Good from 1879 to June 1883, and the reverse since that.—*Sunderland*.  
Profits very much smaller.—*Wakefield*.  
Very seriously diminished.—*Wolverhampton*.  
Deteriorated.—*Hull*.  
Very considerably lessened.—*London*.  
Greatly diminished in almost all branches.—*London* (chemicals).  
Net profits have diminished.—*London* (textiles).  
Largest in the prosperous years from 1870–75; least from 1875–80; somewhat better from 1880–85.—*London* (leather trades).  
Profits have decreased very considerably.—*London* (metals).  
Net profits smaller for importers; about the same for wholesale dealers; larger for retailers.—*London* (provisions).  
Decreased.—*London* (sugar refining).  
Less than in 1865–70; much less than in 1870–75; less than in 1875–80.—*Newcastle* (chemicals).  
Much less than in 1865–75; less than in 1875–80.—*Newcastle* (lead).  
Less than in 1865–70; much less than in 1870–75; a little more than in 1875–80.—*Newcastle* (fire-clay).  
Has decreased very much.—*Newport*.  
Less than in 1865–70; much less than in 1870–75; still less than in 1875–80.  
Decreased.—*British Sugar Refiners' Association*.  
Much diminished.—*Leather Trades' Association*.  
Very considerably less.—*Belfast Linen Merchants' Association*.  
Steadily decreased.—*Needle Manufacturers' Association*.  
Has greatly decreased.—*Paper Makers' Association*.  
Much below its level in 1880–85.—*Shropshire Ironmasters' Association*.  
The trade as a whole has been unprofitable.—*Tinplate Manufacturers' Association*.  
Since 1882 profits have disappeared.—*Wire Trade Association*.  
Much less.—*Flax Supply Association*.  
Profit has been reduced from good to vanishing point.—*Institute of Builders*.  
Less in the last five years.—*Leather Trade Association*.  
Smaller than 1865–75, but larger than 1875–80.—*Belfast* (iron foundry).  
Diminished as compared with 1875–79; very much less than in 1870–74.—*Monmouthshire and South Wales Collieries' Association*.  
There is no net profit at the present time.—*Derbyshire Colliery Owners' Association*.  
Very bad from 1875–79; also bad from 1880–84.—*Durham Coal Trade Association*.  
Is not so good as in 1865–70; enormously more than in 1870–75; and somewhat better than in 1875–80.—*Northumberland Coal Trade Association*.  
Net profits have been greatly reduced.—*National Association of Master Builders*.  
Most people lost money last year.—*Rye District Commercial Association*.  
Since 1880, net profit decreasing, and at present almost nil.—*Agricultural Engineers' Association*.

## (d.) THE AMOUNT OF CAPITAL INVESTED :

Has generally increased.—*Aberdeen*.  
Larger.—*Batley*.  
Larger than any of the periods mentioned.—*Belfast* (iron foundry).  
Increased last five years.—*Belfast* (shipbuilding).  
Increased.—*Birstall*, *Bristol*, *Cardiff*, *Liverpool* (corn milling), *London* (sugar refining), *British Sugar Refiners' Association*, *South Staffordshire Coal Masters' Association*, *Monmouthshire, &c. Collieries' Association*, *Oldham Cotton Spinners' Association*.  
There has been a gradual increase in each period.—*Cleckheaton*.  
As large as ever.—*Dundee*.

R



## I.—EXTENT AND NATURE OF THE DEPRESSION

—cont.

## (d.) THE AMOUNT OF CAPITAL INVESTED—cont.

More.—*Halifax*.Speaking generally . . . . not decreased.—*Leeds*.Not differing proportionately to the decrease of production.—*Macclesfield*.About the same.—*Morley, South of Scotland* (hosiery and wool), *Wolverhampton, Leather Trades' Association, Association of Master Builders*.Much more.—*South of Scotland* (tweeds).Increased . . . . largely.—*Sunderland* (ship-owning).Much the same.—*Wakefield*.Increased 100 per cent.—*Coventry* (bicycles).Is greater.—*Hull*.On the whole . . . . increased.—*London*.Much larger.—*London* (textiles).Greater.—*Newcastle* (engineering), *Walsall*.Larger than in 1875–80.—*Newcastle* (shipbuilding).The same as in 1865–80.—*Newcastle* (lead).About the same as in 1875–80.—*Newcastle* (fire-clay).Much larger than in 1875–80.—*Newcastle* (shipbuilding).Has probably increased, though at present its value is depreciated.—*Papermakers' Association*.As large as in any preceding period.—*Shropshire Iron Masters' Association*.Vastly increased.—*Institute of Builders*.Equal.—*Leather Trade Association*.Was never so large as now.—*Derbyshire, &c. Colliery Owners' Association*.Has enormously increased, though at present its value is depreciated.—*Scottish Papermakers' Association*.Capital is not so much withdrawn as lost by diminished value of works.—*South Wales Association of Manufacturers of Chemical Products from Wood*.There has been a gradual increase of capital.—*Northumberland Coal Trade Association*.Probably decreased, more particularly during the last seven years.—*Gloucester*.The capital invested in buildings, plant, &c. has been stationary, while the floating capital employed has decreased considerably.—*Greenock* (sugar refining).Has probably not increased equally with the volume of trade.—*Huddersfield*.Less capital employed.—*Newark* (malting).Less than in 1870–80.—*Ossett*.Less.—*South of Scotland* (woollen yarn), *Newport* (iron and coal).Probably less.—*London* (chemicals).Has receded steadily during the last 10 years, . . . . perhaps more now than it was five years ago.—*London* (leather).The same as in 1875–80; less than in 1865–75.—*Newcastle* (chemicals).Since 1882 there has been practically no increase.—*Wire Trade Association*.Is much smaller than it was 10 years ago.—*Flax Supply Association*.The same amount of capital is invested, but if now sold would not realise within 30 per cent.—*Rye District Commercial Association*.From 1880, declining.—*Agricultural Engineers' Association*.

## (e.) THE QUANTITY OF LABOUR EMPLOYED :

Increased.—*Aberdeen, Birstall, Bristol, Cardiff, Huddersfield, Liverpool* (milling), *South Staffordshire Coal Masters' Association, Monmouthshire Collieries' Association, Barnsley* (coal), *Barnsley* (paper and glass), *Batley, Belfast* (iron foundry), *Hull, Belfast* (shipbuilding), *Cleckheaton, Halifax, South of Scotland* (hosiery), *Newport* (coal).Not decreased.—*Leeds*.Has not been seriously affected.—*Dundee*.Has naturally increased with the volume.—*Liverpool* (corn).Persons engaged in cotton manufacture: 1861, 456,640; 1871, 468,142; 1881, 488,677.—*Manchester*.

## I.—EXTENT AND NATURE OF THE DEPRESSION

—cont.

## (e.) THE QUANTITY OF LABOUR EMPLOYED—cont.

Slight increase.—*Newark* (brewing).Much more.—*South of Scotland* (tweeds).Increased 100 per cent.—*Coventry* (bicycles).Fully equal to the average of the last 10 years, and perhaps slightly less than 20 years ago.—*London*.Greater than in 1875–80.—*Newcastle* (engineering, shipbuilding).Increased.—*Needle Manufacturers' Association*.Not less, probably rather increased.—*Leather Trade Association*.The quantity of labour employed has not increased proportionately with the number of spindles and the number of looms. In 1874 it was estimated that the cotton trade found employment for 479,515 workpeople. . . . In 1885 the number of workpeople was 504,069.—*Oldham Master Cotton Spinners' Association*.Much the same.—*Exeter, Wakefield*.Approximately the same as for some years past.—*Gloucester*.Remains about the same.—*Liverpool* (sugar refining).About the same as from 1875–80.—*Morley*.About the same.—*Wolverhampton, Leather Trades' Association*.The same as in 1875–80.—*Ossett, Newcastle* (chemicals, fireclay, and shipowning).About equal.—*Belfast Linen Merchants' Association*.About the same as for the past five years.—*Derbyshire, &c. Colliery Owners' Association*.Scarcely any increase over 1875–80.—*Durham Coal Trade Association*.No great increase.—*Northumberland Coal Trade Association*.Less.—*Barnsley* (linen), *South of Scotland* (woollen yarn).Somewhat less.—*Belfast* (linen).In proportion to the quantity of sugar refined the quantity of labour employed has greatly decreased owing to the introduction of improved machinery.—*Greenock* (sugar refining).Largely decreased.—*Greenock* (shipbuilding).Fewer men are employed than formerly.—*Greenock* (shipowning).Less continuous labour owing to shorter malting seasons.—*Newark* (malting).A small per-centage of labour has been displaced . . . . but it is not very appreciable or important.—*London* (leather).Decreased per ton on sugar.—*London* (sugar refining), *British Sugar Refiners' Association*.Less than in 1875–80.—*Newcastle* (lead), *Newport* (iron and steel), *Walsall*.Reduced.—*Sheffield*.Has probably decreased.—*Papermakers' Association*.The number of men out of work since 1880 has been increasing, and it is at the present time larger than ever.—*Institute of Builders*.Correspondingly less than the volume.—*National Association of Master Builders*.Less labour employed now than for years.—*Rye District Commercial Association*.The quantity of labour employed, per ton of paper, has decreased within the last few years.—*Scottish Papermakers' Association*.Normal to 1880, rapidly declined since. Now a large number of men are unemployed, and the remainder making short time.—*Agricultural Engineers' Association*.

## (f.) THE RATE OF WAGES :

1. Above the average of the last 20 years :

*Aberdeen, Barnsley* (skilled labour), *Belfast* (iron foundry, shipbuilding, flour milling, aerated waters), *Bristol, Cardiff, Dewsbury, Exeter* (has considerably

I.—EXTENT AND NATURE OF THE DEPRESSION—*cont.*(f.) THE RATE OF WAGES—*cont.*

risen), *Falmouth* (except as to miners), *Gloucester*, *Greenock* (shipowning and sugar refining), *Halifax*, *Hartlepool*, *Huddersfield*, *Leeds*, *Liverpool* (shipowning, seed crushing), *Luton* (straw hats), *Manchester* (see special tables), *Morley*, *Newark*, *North Shields*, *Portsmouth*, *Salt* (*Northwich*), *South of Scotland*, *Sunderland*, (except in the glass bottle trade), *Wakefield* (skilled labour), *Worcester*, *Edinburgh*, *London* (skilled labour), *London* (chemicals and sugar refining), *Newport*, *Walsall*, *Flax Supply Association* (unskilled), *Institute of Builders*, *Leather Trade Association* (unskilled), *South Staffordshire Coal Masters' Association*, *Derbyshire Colliery Owners' Association*, *National Association of Master Builders*, *Nottinghamshire Traders' Association*, *Oldham Master Cotton Spinners' Association*, *British Sugar Refiners' Association*, *Cleveland Ironmasters' Association*, *Needle Manufacturers' Association*, *Papermakers' Association*, *Sunderland Shipowners' Association*, *Wire Trade Association*, *Agricultural Engineers' Association*.

## 2. About the average of the last 20 years:

*Barnsley* (unskilled labour), *Batley*, *Birmingham* (skilled labour maintains its price), *Cleckheaton* (in textile factories maintained at a fair average), *Liverpool* (sugar refining), *Macclesfield*, *Wakefield* (unskilled labour), *Wolverhampton* (in the coal and iron trades exceptionally low), *London* (leather trade, printing, and wine trade), *Newcastle*, *Sheffield* (very nearly equal), *Leather Trade Association* (skilled labour), *Leather Trades' Association* (fully equal).

## 3. Slightly below the average of the last 20 years:

*Belfast* (linen), *Belfast Linen Merchants' Association*, *Dudley*, *Dundee*, *Heckmondwike*, *Flax Supply Association* (spinning and weaving).

Below:

*Birmingham* (unskilled), *Birstall*, *Cleckheaton* (in some industries and for unskilled labour), *Greenock* (shipbuilding), *Luton* (straw plait), *North Staffordshire* (coal and iron), *Ossett*, *Coventry* (watches, ribbons), *North of England Iron Manufacturers' Association*, *Shropshire Ironmasters' Association*, *Wire Trade Association* (skilled labour).

## II.—PROBABLE CAUSES OF THE DEPRESSION.

## (a.) Restriction of the hours of labour:

*Aberdeen*, *Barnsley* (10 per cent.), *Batley*, *Belfast* (linen, iron, and shipbuilding), *Birmingham*, *Birstall* (to a slight extent), *Dewsbury*, *Dundee*, *Exeter*, *Glasgow*, *Halifax* (considerably), *Hartlepool*, *Huddersfield*, *Leeds*, *Liverpool* (general brokers), *Manchester* (cotton and fine spinning, &c. trades), *Newark*, *North Shields*, *North Staffordshire*, *Wolverhampton* (to a great extent), *Worcester*, *Edinburgh*, *London* (metals), *Newcastle*, *Sheffield*, *Flax Supply Association*, *Institute of Builders*, *Leather Trade Association*, *South Staffordshire Coal Masters*, *Monmouthshire*, &c. *Collieries*, *Durham Coal Trade and Northumberland Coal Trade Associations*, *Derbyshire*, &c. *Colliery Owners' Association*, *National Association of Master Builders*, *Nottinghamshire*, &c. *Traders' Association*, *Northern Counties Coachmakers' Association*, *Belfast Linen Merchants' Association*, *Shropshire Ironmasters' Association*, *Agricultural Engineers' Association*.

*Cleckheaton* not affected by; *Gloucester*, not materially; *Heckmondwike*, not at all; *South of Scotland*, not materially, except in the carding and spinning trades; *Sunderland*, no serious effect; *Wakefield*, not at all. *The Oldham Master Cotton Spinners' Association* not greatly affected by.

## (b.) The influence of trades unions:

*Birmingham*, *Liverpool* (general brokers), *Macclesfield*, *Nottinghamshire*, &c. *Traders' Association*.

## (c.) Better technical education of the foreign workman:

*Birmingham*, *London* (chemicals).

II.—PROBABLE CAUSES OF THE DEPRESSION—*cont.*

## (d.) Fall in prices or appreciation of the standard of value:

*Batley* (very considerably), *Belfast* (linen and iron trades), *Dudley* (effect serious), *Gloucester*, *Halifax* (considerably), *Heckmondwike*, *Huddersfield*, *Liverpool* (Eastern, general brokers and seed-crushing trades), *Manchester* (cotton), *Sunderland*, *Wakefield*, *Edinburgh*, *London* (metals), *Newcastle*, *Sheffield*, *Leather Trade Association*, *South Staffordshire*, &c. *Coal Masters' Association*, *Nottinghamshire*, &c. *Traders' Association*, *Oldham Master Cotton Spinners' Association*, *Belfast Linen Merchants' Association*, *Wire Trade Association*, *Agricultural Engineers' Association*.

*Macclesfield* not at all affected by.

## (e.) Fluctuations of exchange as between gold and silver-using countries:

*Aberdeen*, *Birmingham*, *Sheffield*, *Oldham Master Cotton Spinners' Association*.

## (f.) Changes in the relations between the producer, distributor, and consumer:

*Batley*, *Bristol* (severely), *Gloucester*, *Heckmondwike*, *Edinburgh*, *American Chamber of Commerce* (*Liverpool*), *London* (leather and cotton), *Newcastle*.

## (g.) Inflation of credit:

*Batley*, *Belfast* (iron and manure), *Dewsbury* (seriously), *Dudley*, *Heckmondwike*, *Huddersfield*, *Liverpool* (shipping), *Macclesfield*, *North Shields*, *Sunderland*, *Wakefield*, *General Shipowners' Society*, *Nottinghamshire Traders' Association*, *Northern Counties Coachmakers' Association*, *Rye Commercial Association*.

## (h.) Over-production:

*Aberdeen*, *Batley*, *Belfast* (iron trade slightly), *Dewsbury* (an important factor), *Dudley* (severely felt), *Glasgow*, *Greenock* (shipbuilding), *Halifax* (partially), *Hartlepool*, *Heckmondwike*, *Hull* (shipping), *Leith*, *Liverpool* (Eastern trade, corn and seed crushing), *Luton*, *Newark* (to some extent), *North Shields*, *North Staffordshire* (to an enormous extent), *Wakefield* (one of the principal causes), *Derby* (iron, coal, and cotton), *Edinburgh*, *American Chamber of Commerce* (*Liverpool*), *London* (chemicals and textiles), *Newcastle*, *Newport*, *Sheffield*, *South Staffordshire*, &c. *Coal Masters*, *Monmouthshire*, &c. *Collieries*, and *Durham and Northumberland Coal Trades' Associations*, *Nottinghamshire*, &c. *Traders' Association*, *Oldham Master Cotton Spinners' Association*, *Scottish Papermakers' Association*, *Cleveland Ironmasters' Association*, *North of England Iron Manufacturers' Association*, *Papermakers' Association*, *Tinplate Manufacturers' Association*, *Wire Trade Association*, *Agricultural Engineers' Association*.

*Cleckheaton* not affected; *Exeter*, none; *South of Scotland*, none.

## (i.) More effective or increased foreign competition:

*Aberdeen* (seriously), *Barnsley*, *Batley*, *Belfast* (linen and iron trades), *Birmingham*, *Birstall* (materially), *Dudley* (severely felt), *Dundee*, *Exeter*, *Halifax* (considerably), *Hartlepool*, *Heckmondwike*, *Huddersfield* (yarn trade), *Leith*, *Liverpool* (general brokers, seed crushing, and spirits), *Luton*, *Macclesfield* (seriously), *Newark* (a great cause), *North Shields*, *North Staffordshire* (to a serious extent), *Portsmouth*, *Salt* (*Northwich*), *South of Scotland*, *Sunderland* (glass and bottles), *Wakefield*, *Wolverhampton* (one of the main causes), *Coventry* (ribbons), *Derby*, *Edinburgh*, *London* (chemicals, textiles, metals, cotton, and sugar), *Newcastle*, *Newport*, *Sheffield*, *Flax Supply Association*, *Leather Trade Association*, *Monmouthshire*, &c. *Collieries' Association*, *Durham and Northumberland Coal*

II.—PROBABLE CAUSES OF THE DEPRESSION—  
cont.

*Trades' Associations, Nottinghamshire, &c. Trades' Association, Oldham Master Cotton Spinners' Association, Rye Commercial Association, Scottish Papermakers' Association, Belfast Linen Merchants' Association, Needle Manufacturers' Association, North of England Iron Manufacturers' Association, Sunderland Shipowners' Society, Agricultural Engineers' Association.*

*Cleckheaton not directly affected.*

## (j.) Foreign tariffs and bounties:

*Aberdeen, Barnsley (these are at the bottom of all our troubles), Batley (not by bounties), Belfast (linen), Birstall (very seriously), Cleckheaton (decidedly injurious), Dewsbury (greatly), Dublin (to a great extent), Dudley, Dundee, Greenock, Halifax (seriously), Hartlepoons (undoubtedly), Heckmondwike, Huddersfield, Hull (shipping), Leeds (seriously), Leith, Liverpool (shipping, general brokers, sugar refining, seed crushing, and West Indian trades), Luton, Macclesfield (most injuriously), Manchester (fine spinning, &c., and bleaching), Morley, Newark (to a great extent), North Shields, North Staffordshire (to a serious extent), Salt (Northwich), Southampton, South of Scotland, Sunderland (glass and bottles), Wakefield, Derby, Edinburgh, Hull, American Chamber of Commerce (Liverpool), London (textiles, metals, and coffee), Newcastle, Newport, Sheffield, Flax Supply Association, General Shipowners' Society, Leather Trade Association, Monmouthshire, &c. Collieries' Association, Durham Coal Trade Association, Nottinghamshire, &c., Traders' Association, Northern Counties Coachmakers' Association, Oldham Master Cotton Spinners' Association, Scottish Papermakers' Association, South Wales Manufacturers of Chemical Products from Wood, Cleveland Ironmasters' Association, Leather Trades' Association, Belfast Linen, Merchants' Association, North of England, Iron Manufacturers' Association, Papermakers' Association, Agricultural Engineers' Association.*

## (k.) Increase and incidence of local and imperial taxation:

*Batley, Dudley, Heckmondwike, Liverpool (Eastern trade), Macclesfield, Dewsbury (not to any great extent), Monmouthshire, &c. Collieries' Association, Northumberland Coal Trade Association, Derbyshire, &c. Colliery Owners' Association, Agricultural Engineers' Association.*

## (l.) Mining rents and royalties:

*Falmouth, Derbyshire, &c. Colliery Owners' Association.*

## (m.) Cost of carriage:

*Falmouth, Gloucester, Halifax (to a large extent), Liverpool (corn, and sugar refining), Newark (considerably), North Shields, North Staffordshire, Wakefield, Derby, Kidderminster, London (cotton), Sheffield, Flax Supply Association, Derbyshire, &c. Colliery Owners' Association, Needle Manufacturers' Association, Shropshire Ironmasters' Association, Wire Trade Association, Agricultural Engineers' Association.*

## (n.) Legislation affecting trade:

*Barnsley, Belfast (linen trade), Halifax (to a decided extent), Hartlepoons, Hull, Leeds, Macclesfield (very considerably), Newcastle, Durham Coal Trade Association, Belfast Linen Merchants' Association, Sunderland Shipowners' Association.*

## (o.) The operation of the Limited Liability Acts:

*Liverpool (shipping trade), Manchester (fine spinning, &c.), London (metals), Newcastle, Newport.*

## (p.) Agricultural depression:

*Birmingham, Falmouth, Liverpool (general brokers), Edinburgh, American Chamber of Commerce, Liverpool, Nottinghamshire, &c. Traders' Association, Rye Commercial Association, Agricultural Engineers' Association.*

## III.—REMEDIAL MEASURES (GENERAL).

## (a.) Removal or modification of hostile tariffs or bounties:

*Barnsley, Dewsbury, Dudley, Greenock, Luton, Macclesfield, Morley, Ossett, Salt (Northwich), South of Scotland, Coventry, London, Leather Trade Association, Mining Association of Great Britain, South Lancashire, &c. Coal Association, Monmouthshire, &c. Collieries' Association, Durham Coal Trade Association, Cleveland Ironmasters' Association.*

## (b.) The imposition of countervailing duties:

*Liverpool (East Indian trade, sugar refiners), Newark, London (sugar refiners), British Sugar Refiners' Association.*

## (c.) The establishment of reciprocity:

*Dublin, Exeter, Newark, Ossett, Wakefield, Hull, London (carriage builders), Agricultural Engineers' Association.*

## (d.) The imposition of protective duties:

*Newark.*

## (e.) An import duty on foreign goods:

*Rye Commercial Association.*

## (f.) Negotiation of commercial treaties:

*Batley, Newark, London, Agricultural Engineers' Association.*

## (g.) Imposition of an import duty on foreign manufactured goods:

*Birmingham, Portsmouth, Newport.*

## (h.) Imperial federation, or the formation of a trading union between the mother country and her colonies:

*Birmingham, Dewsbury, Exeter, Macclesfield, North Staffordshire, Wakefield, London, Sheffield, Oldham Master Cotton Spinners' Association, North of England Iron Manufacturers' Association.*

## (i.) Better regulation of railway rates and charges and the ensuring the free competition of canals:

*Barnsley, Birmingham, Gloucester, Liverpool (general brokers), Morley, Newark, North Staffordshire, Wolverhampton, Worcester, Coventry, Kidderminster, London, Newcastle, Newport, Sheffield, Mining Association of Great Britain, South Lancashire, &c. Coal Association, Derbyshire, &c. Colliery Owners' Association, Durham Coal Trade Association, Scottish Papermakers' Association, Papermakers' Association, Wire Trade Association, Agricultural Engineers' Association.*

## (j.) Improved communication either by canals or railways:

*Cardiff, Falmouth.*

## (k.) The encouragement of emigration to the colonies instead of to other countries:

*Newcastle.*

## (l.) Opening up of new markets:

*Barnsley, Batley, Heckmondwike, Huddersfield, Liverpool (East Indian trade), Manchester, United Bleachers' Association, North Shields, North Staffordshire, Salt (Northwich), South of Scotland, London, Newcastle, Newport, Sheffield, Oldham Master Cotton Spinners' Association, Leather Trades' Association.*

## (m.) The creation of a Ministry of Commerce and Agriculture:

*Gloucester, Macclesfield, South of Scotland, Coventry, London, Newcastle, Oldham Master Cotton Spinners' Association.*

## (n.) Increased and improved consular assistance:

*Barnsley, Leeds, Manchester, South of Scotland, London, Newcastle, Agricultural Engineers' Association.*

## (o.) Improved trade statistics:

*Macclesfield, United Bleachers' Association, London.*

## (p.) The establishment of museums of trade patterns:

*Cleckheaton, London.*

## (q.) The legal recognition of chambers of commerce:

*Newcastle.*

## (r.) The simplification and codification of commercial law.

*London, Newcastle.*

## (s.) Special representation of trade in Parliament:

*Salt (Northwich).*

## (t.) Improved technical and artistic education:

*Belfast (iron foundry), Cleckheaton, Leeds, South of Scotland, Coventry, London, Newcastle, Leather Trade Association.*

## (u.) The establishment of boards of arbitration and conciliation:

*Macclesfield, North Shields, London (metal trades).*

III.—REMEDIAL MEASURES (GENERAL)—*cont.*

- (v.) Devotion of trade guild or corporate funds to their original or allied uses :  
*London* (carriage builders).
- (w.) The prevention of interference with the freedom of labour :  
*Derbyshire, &c. Colliery Owners' Association.*
- (x.) Increase of the hours of labour :  
*Belfast* (iron foundry).
- (y.) The reduction and adjustment of imperial and local expenditure :  
*Heckmondwike, Newark, London, Derbyshire, &c. Colliery Owners' Association, Wire Trade Association, Agricultural Engineers' Association.*
- (z.) The abolition of special taxes, and the simplification of legislation bearing on or regulating particular industries :  
*Newcastle.*
- (aa.) Amendment of the Limited Liability Acts :  
*Falmouth, Wolverhampton, Walsall* (an inquiry suggested), *Oldham Master Cotton Spinners' Association.*
- (bb.) The reduction of postal rates :  
*London.*
- (cc.) The establishment of an international bi-metallic currency :  
*Birmingham.*
- (dd.) Prevention of fraudulent marking of foreign goods :  
*Sheffield.*
- (ee.) Reform of the land laws :  
*Batley, Bristol, Gloucester, South of Scotland, London.*
- (ff.) Further restrictions upon the drink traffic :  
*Batley.*

## IV.—REMEDIAL MEASURES (SPECIAL).

- (a.) The abolition of the coal and wine dues :  
*London, Newcastle* (coal).
- (b.) Improved customs and excise regulations :  
*Liverpool* (brewers and spirit merchants).
- (c.) Amendments of the Merchant Shipping Acts :  
*Liverpool* (shipowners).
- (d.) The appointment of a real shipping council or board . . . to control and foster our mercantile marine :  
*Greenock.*
- (e.) The abolition of the light dues on shipping :  
*Newcastle.*
- (f.) The protection by law of the oysterages :  
*Falmouth.*
- (g.) Relief from the pressure of dead rents and excessive royalties :  
*Derbyshire, &c. Colliery Owners' Association.*
- (h.) An inquiry into the question of mineral royalties, and the establishment of a royalty commission :  
*North of England Iron Manufacturers' Association.*
- (i.) Amendment of law as to coffee mixtures :  
*London* (coffee).
- (j.) Exclusion of impure Indian salt, the reduction of the Indian duty on Cheshire salt, the cessation of the salt manufacture by the Indian Government :  
*Salt (Northwich).*
- (k.) Abolition of the carriage tax :  
*London* (carriage builders), *Newcastle, Northern Counties Coachmakers' Association.*

ANALYSIS OF ANSWERS RECEIVED FROM HER MAJESTY'S DIPLOMATIC  
AND CONSULAR REPRESENTATIVES ABROAD.

## INDEX TO ANSWERS.

NOTE.—The references to the Second Report in this Index are to Part II. of that Report.

Country.	No. of Report and Page.	Country.	No. of Report and Page.
ARGENTINE REPUBLIC - - -	IV. 58	ITALY— <i>cont.</i>	
AUSTRIA-HUNGARY - - -	II. 101	Rome - - -	II. 244
Bosnia - - -	" 103	Naples - - -	" 246
Trieste - - -	" "	Palermo - - -	" 248
Buda Pesth - - -	" 105	Mescina - - -	" 250
BELGIUM - - -	III. 444	Catania - - -	" 252
Antwerp - - -	" 454	JAPAN - - -	III. 471
Brussels - - -	" 461	Kanagawa - - -	" 474
BULGARIA - - -	II. 107	Hiogo - - -	" 476
Rustchuk - - -	" 108	Nagasaki - - -	" 477
Varna - - -	" 109	Hakodate - - -	" 478
CENTRAL AMERICA - - -	IV. 61	MEXICO - - -	IV. 66
Nicaragua - - -	" "	MONTENEGRO - - -	II. 253
Costa Rica - - -	" "	MOROCCO - - -	" 254
Honduras - - -	" "	Daralbaida - - -	" 255
Salvador - - -	" "	Mazagan - - -	" 256
CHILI - - -	" 65	Mogador - - -	" 257
CHINA - - -	III. 463	Saffi - - -	" "
Tientsin - - -	" 464	NETHERLANDS - - -	" 258
Shanghai - - -	" 465	Amsterdam - - -	" 261
Foochow - - -	" 466	Rotterdam - - -	" 264
Swatow - - -	" "	NORWAY - - -	" 332
Taiwan - - -	" 467	PERSIA - - -	III. 480
Kinkiang - - -	" "	Bushire - - -	" "
Hankow - - -	" 468	Tabreez - - -	" 481
Chinkiang - - -	" 469	PERU - - -	II. 267
DENMARK - - -	II. 110	PORTUGAL - - -	" 268
ECUADOR - - -	III. 470	Lisbon - - -	" 273
Guayaquil - - -	" "	Oporto - - -	" 277
EGYPT - - -	II. 119	Madeira - - -	" 280
Alexandria - - -	" "	Azores - - -	" "
Cairo - - -	" 121	ROUMANIA - - -	" 281
Tantah - - -	" "	Galatz - - -	" 283
Mansourah - - -	" 122	Sulina - - -	" 287
Zagazig - - -	" "	RUSSIA - - -	" 288
Suakin - - -	" "	St. Petersburg - - -	" 290
Suez - - -	" "	Taganrog - - -	" 298
Port Said - - -	" 123	Riga - - -	{ and III. 481
FRANCE - - -	" 124	Warsaw - - -	II. 300
Algiers - - -	" 137	Batoum - - -	" 301
Bordeaux - - -	" 139	Nicolaieff - - -	" 303
Boulogne - - -	" 141	Sebastopol - - -	" 305
Dunkirk - - -	" 142	Kertch - - -	" 306
Brest - - -	" 143	Odessa - - -	" 307
Cherbourg - - -	" 145	SERVIA - - -	" 308
Havre - - -	" 146	SIAM - - -	III. 482
Rouen - - -	" 147	SPAIN - - -	II. 311
Marseilles - - -	" 148	Barcelona - - -	" 317
Lyons - - -	" 150	Malaga - - -	" 320
Nantes - - -	" 152	Cadiz - - -	" 321
Nice - - -	" 155	Corunna - - -	" 323
GERMANY - - -	" 157	Bilbao - - -	" "
Berlin - - -	" 163	Balearic Islands - - -	" 324
Hamburg - - -	" 166	Canary Islands - - -	" 325
Frankfort - - -	" 168	SWEDEN - - -	" "
Dusseldorf - - -	" 169	SWITZERLAND - - -	" 343
Stettin - - -	" 179	TUNIS - - -	" 350
Konigsberg - - -	" 181	TURKEY - - -	" 351
BAVARIA - - -	III. 438	Aleppo - - -	" 357
HESSE DARMSTADT - - -	II. 188	Angora - - -	" "
SAXE-COBURG - - -	" 191	Baghdad - - -	III. 484
SAXONY - - -	" 192	Beyrout - - -	II. 359
WURTEMBERG - - -	" 195	Bourgas - - -	" 360
GREECE - - -	" 199	Bussorah - - -	III. 485
ITALY - - -	" 205	Crete - - -	II. 360
Florence - - -	" 213	Dardanelles - - -	" 362
Genoa - - -	" 240		
Leghorn - - -	" 242		

Country.	No. of Report and Page.	Country.	No. of Report and Page.
<b>TURKEY—cont.</b>		<b>UNITED STATES—cont.</b>	
Erzeroum - - - - -	II. 362	Philadelphia - - - - -	II. 403
Diarbekir - - - - -	" 363	Baltimore - - - - -	" 406
Jeddah - - - - -	" 364	Charleston - - - - -	" 407
Jerusalem - - - - -	" 365	Savannah - - - - -	" 410
Philippopolis - - - - -	" 366	Mobile - - - - -	" 411
Salonica - - - - -	" 367	New Orleans - - - - -	" 412
Albania - - - - -	" 368	San Francisco - - - - -	" 412
Smyrna - - - - -	" 486	<b>URUGUAY - - - - -</b>	" 418
Trebizond - - - - -	III. 486	<b>VENEZUELA - - - - -</b>	" 419
Tripoli - - - - -	II. 372	<b>WESTERN PACIFIC ISLANDS - - - - -</b>	III. 487
Mosul - - - - -	III. 484	Samoa - - - - -	IV. 69
<b>UNITED STATES - - - - -</b>	II. 372	Tonga - - - - -	" 425
New York - - - - -	" 384	<b>ZANZIBAR - - - - -</b>	II. 425
Boston - - - - -	" 402		

## I.—THE CONDITION OF TRADE GENERALLY.

(a.) In the following countries the condition of trade generally appears to be the subject of little or no complaint.

**ARGENTINE REPUBLIC :**

In 1876 a new era of prosperity commenced, which, with the exception of a slight check in 1880, has continued up to 1885.

**AUSTRIA :**

Industry in Austria has greatly increased. Continually new manufactories are springing up for all branches of trade, and manufacturers here keep increasing their transactions with the retail tradespeople from year to year.

**BAVARIA :**

Though gradually rising into the position of an industrial State, there is actually no sign of depression in the trade of Bavaria; wealth has increased, and its industries are sufficiently prosperous.

**CENTRAL AMERICA :**

In Salvador the condition of industry cannot be fairly described as depressed.

**CHINA :**

There does not appear to have been any serious depression of foreign trade with China during the last few years, but the present heavy fall in the value of silver threatens more serious difficulties to foreign trade than any that have occurred of late years.

**GERMANY :**

The almost unanimous testimony of the consular replies justifies the assumption that the present condition of German trade and industry cannot fairly be described as "depressed."

**GREECE :**

It cannot be said that there is any great depression except in the consular district of continental Greece, which includes the towns of Athens and the Piræus, where such a depression has existed for the last few years, and has been very great and quite unprecedented.

**HESSE-DARMSTADT AND BADEN :**

As a rule throughout the Grand Duchies depression of trade and industry either do not exist or are of a temporary and fluctuating nature.

**HUNGARY :**

Trade and industry in general have experienced no depression in Hungary within the last 20 years; on the contrary, they have exhibited considerable progression.

**ITALY :**

Excepting in the district of Naples and in Sicily the condition of trade cannot be considered as "depressed" at the present time.

**MEXICO :**

Speaking generally, it may be said that the condition of trade and industry is far from being depressed in Mexico at the present time, as compared with the past 20 years.

**MONTENEGRO :**

Instead of a depression of trade and industry existing in the principality, prosperity and progress have on the contrary prevailed.

I.—THE CONDITION OF TRADE GENERALLY—  
*cont.***MOROCCO :**

The trade and industries of Morocco may be described at the present time as in a state of revival after a period of serious depression.

**PORTUGAL :**

Except in the case of agriculture, trade and industry in Portugal cannot be described as depressed, except in so far as the gradual decrease of profits may be regarded as indicative of depression.

**SAXE-COBURG-GOTHA AND MEININGEN :**

It cannot be said that there is any noticeable depression in the trade and industry of the Duchies, although in the last decade profits have been smaller and obtained with increased difficulty.

**TUNIS :**

Trade and industry cannot be considered as depressed.

**TURKEY :**

The burden of evidence as supplied by the consular reports goes to show that the condition of trade in general, and of British trade in particular, cannot be considered as depressed in the Ottoman Empire generally at the present time as compared with the last 20 years. Where real trade depression obtains, it has been brought about by reasons which have their origin in the state of the country, a fact that will be evident from a glance at the past history of the empire.

**WURTEMBERG :**

The condition of trade and industry in Wurtemberg is certainly not normal. A marked depression exists in agriculture, in retail trade, and in certain petty industries. Industry and commerce in general are not depressed in the proper sense of the word.

(b.) In the following countries depression of a more or less serious character is stated to exist.

**BELGIUM :**

The prevalence of serious depression in Belgian trade and industry is a fact beyond dispute.

**BULGARIA :**

Owing to the present political circumstances, commerce is at this moment certainly very depressed.

**CENTRAL AMERICA :**

In Costa Rica a slight general depression. In Honduras trade is at present in a very depressed condition.

**DENMARK :**

There can be no doubt that during the last 12 months Denmark has been suffering from an unusual depression of trade.

**EGYPT :**

Putting aside the reports from those districts in which special causes are in operation, we find an unanimous expression of opinion as to the existence of a depression of trade.

**FRANCE :**

The current of mercantile and manufacturing affairs reveals a widespread commercial and industrial derangement, of which the main cause appears to be over-production.



## I.—THE CONDITION OF TRADE GENERALLY—

*cont.***JAPAN :**

Depression in trade has existed throughout Japan for some years.

**NETHERLANDS :**

The condition of trade and industry in general may, in one sense, certainly be fairly described as depressed at the present time as compared with the 15 years from 1865 to 1880.

**PERSIA :****PERU :**

All foreign trade in Peru is suffering from a long standing depression.

**ROUMANIA :**

The complaints of depression of trade are quite as loud in Roumania as elsewhere; there are no large industries here, and consequently no strikes of workmen to be dealt with, but importers complain that they can find little or no market for their goods, while exporters declare that they can only get rid of their produce at a price which yields no profit, even if it does not represent an actual loss.

**RUSSIA :**

The economic condition of the whole empire is generally admitted to be in a depressed state. This depression applies both to all branches of industry and to the foreign and home trade of the country.

**SAXONY :**

The following is a local judgment on the present crisis :—

"The depression is almost universal, and there are scarcely any branches of production which it has not reached. But it is less felt in retail business, and our shopkeepers are making few complaints."

**SERVIA :**

The trade and industry of Servia since the end of 1883 can be described as "depressed," not so much as regards her imports as in respect of her exports, which show a considerable falling off.

**SIAM :**

Trade here is perhaps suffering in some of its branches to a certain extent under the reaction which has now set in after a system of giving credit freely which had previously prevailed.

The business of importers has also suffered much of late on account of the continuous fall in the value of silver, though on the other hand this very circumstance has been much to the advantage of those persons exporting produce.

**SPAIN :**

As regards the whole body of the Spanish trade it cannot be denied that considerable depression exists.

**SWEDEN AND NORWAY :**

Sweden's trade and industry may be fairly described as depressed at the present time as compared with the last 20 years.

**SWITZERLAND :**

The commercial depression so generally prevailing has made no exception in favour of Switzerland, and the complaints uttered by the rest of the trading world find here only too faithful an echo.

**UNITED STATES :**

A depression in the general business of the country affecting the exchange of the necessities of life has for some time past existed in the United States.

**URUGUAY :**

All trade and industry whatever throughout Uruguay is decidedly depressed at the present time as compared with the previous 20 years.

**VENEZUELA :**

It is but natural, taking into account the low prices of coffee, and the continued destruction of all grain crops throughout the country by locusts, that all branches of trade should be now depressed as compared with the last 20 years.

**ZANZIBAR :**

An intense and prolonged depression has now overtaken the trade of Zanzibar.

## II.—THE CONDITION OF BRITISH TRADE.

(a.) The replies received from the following countries are more or less favourable.

**ARGENTINE REPUBLIC :**

British trade in general is in a satisfactory and healthy state, though suffering from several evils which could be remedied if the manufacturer and merchant chose to work on a different basis.

**BULGARIA :**

The proportion of British imports to those of other countries has been fairly maintained and even increased, although they have slightly decreased in value.

**CHILI :**

The British share of the Chilean trade is not shown to have diminished in any special degree.

**CHINA :**

That neither foreign trade in general nor British trade in particular can be said to be depressed.

**DENMARK :**

No diversion or extension of British trade has been noticeable except in the import of iron, and possibly in some descriptions of cotton yarns.

**ECUADOR :**

There is evidently a considerable improvement in British trade as compared with the average of the last 20 years.

**FRANCE :**

In its decreases as well as in its increases the import trade of France from Great Britain has not seriously affected any large quantity of British manufactures.

**ITALY :**

Taken in the aggregate, British trade with Italy cannot be called depressed.

**NETHERLANDS :**

There has been no falling off in the trade between the United Kingdom and Holland, but that trade has increased to a very notable extent, that is to say, by about 82 per cent. as regards the imports from, and 75 per cent. as regards the exports to, the United Kingdom in the course of the 15 years ending with 1884, and both the imports and exports for the last-named year were no doubt the largest ever yet recorded in one twelvemonth.

**PERU :**

British commerce is not at present suffering a much more serious depression than that of other countries.

**SERVIA :**

The commerce of Great Britain with this kingdom cannot be described as labouring under any depression, inasmuch as it may fairly be said to have increased in every particular since Servia received her independence from Turkish rule.

**SIAM :**

British trade has participated in the increased imports, but whether in due proportion it is impossible to say.

**TUNIS :**

As regards British trade, cotton manufactures, as stated above, have received a considerable impulsion, while the trade in colonial produce and iron has been transferred to France and Belgium respectively.

**TURKEY :**

British trade cannot be considered as depressed in the Ottoman Empire generally at the present time as compared with the last 20 years.

**VENEZUELA :**

British trade cannot fairly be described as depressed.

**WESTERN PACIFIC :**

Tonga. British trade is resuming its former position, and English goods are to a large extent replacing those of other nationalities.

(b.) The following replies must be regarded as unfavourable :—

**AUSTRIA :**

Imports from Great Britain have fallen off, and their place has been taken, to a considerable extent, by German and Swiss goods. The trade between Great Britain and Trieste has not much varied.

II.—THE CONDITION OF BRITISH TRADE—*cont.*

## BAVARIA :

British commerce with this country, and indeed with the rest of Germany, has certainly diminished within the last 10 years, but the cause of this decrease must be attributed less to the quality of the goods exported by England than to the progress made by German manufactures.

## BELGIUM :

British trade may be considered as being in all its branches "depressed," notwithstanding the actual amount of business transacted and the great increase of British shipping during the last few years.

## CENTRAL AMERICA :

In Nicaragua the rate of increase of trade with England is not so great as in the case of other countries. In Costa Rica, German and American competition is increasing.

## EGYPT :

In some branches British import trade has fallen off in quantity.

In the iron trade foreign competition has made considerable encroachments on the business of the English firms.

## GERMANY :

Although British imports have been increasing in volume and also, with the exception of Hamburg, in value, they are not doing so to the same extent as other foreign imports.

## GREECE :

There is no great depression of British trade in Greece, although some branches have suffered severely owing to foreign competition and the high Customs tariff.

## HESSE DARMSTADT :

There has been a great falling off in the trade with Great Britain since 1875.

## HUNGARY :

English trade in particular has experienced in all branches a remarkable decrease; in fact, it has never been, for the last 20 years, at so low an ebb.

## JAPAN :

There has unfortunately been a falling off in British trade with this empire.

## MEXICO :

Since 1867 the English commercial houses have been gradually withdrawn, so that at the present day the trade between the two countries is almost exclusively in the hands of the Germans, whose interests are naturally more directed towards introducing goods of German in preference to those of English manufacture.

## MOROCCO :

The depression appears to have affected British trade in particular.

## NORWAY :

British trade with Norway must be considered in a depressed state. The per-centage of the total trade with Norway which Great Britain held in 1884 was 29.3, or the same as in 1872.

## PERSIA :

In some districts nearly the whole trade has passed into the hands of the Russians. In the remainder British trade is stationary.

## PORTUGAL :

Great Britain has not been ousted from the market, but has rivals, native and foreign, who compete successfully with us in branches of trade in which we formerly held a practical monopoly.

## ROUMANIA :

The British manufacturer seems to be losing his hold on the Roumania market because he does not or cannot make his goods as cheaply as the manufacturers of other countries.

## RUSSIA :

The relative proportion of British imports into and exports from Russia has diminished. The absolute value of the imports has also decreased, but that of the exports to Great Britain has nearly doubled.

o 24357.

II.—THE CONDITION OF BRITISH TRADE—*cont.*

## SAXONY :

A visible tendency to shrinkage of the purchases of British commodities along the whole line, except, perhaps, in high cotton yarns and bright haired worsted weft yarns, and some minor articles.

## SPAIN :

English trade with Spain receded in 1884, according to Spanish statistics, to below the figures of 1880, while the trade done by Spain with Belgium and Germany has increased, and is increasing, by leaps and bounds, and France has become the greatest buyer of Spanish goods, instead of the United Kingdom.

## SWEDEN :

Commerce between Great Britain and Sweden experienced more or less the same symptoms of depression as is the case with trade in general.

## SWITZERLAND :

In spite of this difficulty it is a matter of no uncertainty that England's most formidable rival in Swiss commerce is the German Empire, whose trade with this country has enormously increased since 1870. In some branches, indeed, it has almost completely ousted British manufactures.

## UNITED STATES :

The depression of trade has been extensive and long continued and seems to have affected British trade co-extensively with, but not more severely than, that of other nations.

## URUGUAY :

British trade with Uruguay appears to have reached its highest point of prosperity about six years ago, at which time also a considerable reduction (50 per cent.) on import duties took place. Since then the trade has been steadily falling off, partly on account of the re-imposition and even augmentation of the Custom House duties, partly as being edged out by the ever increasing German and Belgian trade. I may add that Spanish, French, and Italian trade have continued during the same period much *in statu quo*.

## WURTEMBERG :

Imports from England are dwindling away in quantity.

## ZANZIBAR :

In the autumn of 1883 the export trade from Great Britain suddenly collapsed, while that of imports to the United Kingdom became at the same moment intensely depressed (volume and value alike affected).

## III.—THE VOLUME OF TRADE.

(a.) In the following countries the volume of trade may be regarded as having increased.

## ARGENTINE REPUBLIC :

The trade of the country has increased over 300 per cent. in the last 20 years, and has doubled during the last 10 years.

## AUSTRIA :

The imports of manufactured goods decreased from year to year on account of the production in Austria.

Continually new manufactories are springing up for all branches of trade. Industry in Austria has increased in all branches of manufacture.

## BELGIUM :

The volume of business tends to increase.

## CENTRAL AMERICA :

In Nicaragua business has increased, and in Salvador it has been considerably in excess during the period from 1880-85 as compared with the preceding 15 years.

## CHINA :

There is on the whole an increase of volume.

## DENMARK :

The weight of imports has increased yearly from 1,385,221 tons in 1879 to 2,405,418 tons in 1883. In the same period the weight of exports increased from 536,945 tons to 555,172 tons. In the articles in which Great Britain competes for the Danish market she has, as a rule, distanced her competitors.

III.—THE VOLUME OF TRADE—*cont.*

## EGYPT:

Both exports and imports show an increase as to volume during the last 10 years.

## FRANCE:

Depression is not due to a decrease in bulk of the goods exchanged.

## GERMANY:

Business is brisk and markets extending. The imports have increased in quantity from nearly 28 million tons net in 1872 to over 36 millions in 1883, the exports during the same period have risen from 21 million tons net to 42 millions.

## GREECE:

There is a considerable increase of the volume and value of the import and export trade with Great Britain.

## ITALY:

British imports, with some exceptions, have steadily developed. Italian exports to Great Britain appear to have remained stationary.

## MEXICO:

There is every prospect that a regular and steady increase may be looked for in the near future in the import and export trade of Mexico

## NORWAY:

The total weight of the foreign trade of Norway has increased from 1,896,801,000 kilos. in 1866-70 (average) to 3,429,973,000 in 1884, the highest figure yet reached. Both imports from and exports to Great Britain show a constantly growing trade between the two countries.

## PORTUGAL:

There has been an absolute increase in the volume of British trade during the past 20 years.

## ROUMANIA:

The volume of trade has not fallen off.

## SWEDEN:

The volume of British trade has considerably increased during the period 1880-85 as compared with the preceding 15 years.

## TURKEY:

Both exports and imports would, it is thought, be found to have increased in bulk.

## URUGUAY:

During the last five years, as compared with the preceding 15, the quantity has diminished. As to exports, the volume has been greater.

## VENEZUELA:

Imports have increased in volume, exports about the same.

## WESTERN PACIFIC:

Samoa. Very much increased, especially during the past two years.

## WURTEMBERG:

The volume of transactions show progress.

(b.) In the following countries the volume of trade has declined.

## ECUADOR:

Apparently the last three years show a falling off during the three years 1882-85 as compared with 1879-81.

## MOROCCO:

The decline in the general trade has been 22 per cent. in exports and 11 per cent. in imports.

## SERVIA:

There is a perceptible falling off in both the imports and exports for 1885.

## IV.—THE GROSS VALUE OF TRADE.

(a.) In the following countries, speaking generally, it may be said that the gross value of trade has increased.

## BELGIUM:

A comparison of the total united imports and exports between the present time and 10 years ago shows an increase of 20 per cent. during that period.

IV.—THE GROSS VALUE OF TRADE—*cont.*

## DENMARK:

The value of the imports has increased from 199,000,000 kroner in 1879 to 288,500,000 kroner in 1883. In the same period the value of the exports has increased from 158,100,000 kroner to 199,900,000 kroner. Great Britain sends the Danes nearly all the coal and raw metals, three-fifth of the cottons, 30 per cent. of the woollens, 30 per cent. of the metal manufactures, and 45 per cent. of the sugar and molasses they import.

## EGYPT:

Both exports and imports show an increase as to value during the past 10 years.

## FRANCE:

The total imports of goods entered into France for consumption from all parts of the world decreased in value from 201,000,000*l.* in 1880 to 173,000,000*l.* in 1884, and the total export of France, under the head of special commerce, from 138,000,000*l.* to 129,000,000*l.* The imports into France from England decreased from 26,640,000*l.* in 1880 to 24,681,840*l.* in 1884, the exports to England falling at the same time from 36,640,000*l.* to 33,760,000*l.*

## GERMANY:

The estimated value of the imports has remained almost stationary during the past 12 years, the exports from 6,079,226,000 marks in 1872 to 8,424,689,000 marks in 1883.

## ITALY:

The trade returns of the past five years show a greater increase of foreign as compared with British trade.

## NETHERLANDS:

Down to the close of 1884 there can be no question of any diminution having occurred in the trade of this country, in so far at least as regards the estimated money value of both imports and exports.

## NORWAY:

The total value of the foreign trade of Norway has increased from 9,649,000*l.* in 1866-70 (average) to 15,055,000*l.* in 1884, but the value per head of the population shows a tendency to decrease.

## PORTUGAL:

There has been an absolute increase in the value of British trade during the last 20 years, but a relative decrease as compared with the trade of other nations of a very marked character.

## ROUMANIA:

The value of the goods imported into Roumania has grown from 3,317,000*l.* in 1871 to an average of 12,315,000*l.* for the years 1882 to 1884 inclusive, the per-centage of British imports averaging 20.5 per cent. from 1871 to 1881, and for the past three years 19.5 per cent.

## SIAM:

In 1865 the total import of all articles was valued at 2,495,018 dollars, and in 1884 at 6,247,893 dollars.

## SWEDEN:

The total imports have risen from 5,881,277*l.* in 1865 to 18,551,600*l.* in 1885; the total exports from 6,004,666*l.* to 14,251,700*l.* The value of British trade has considerably increased during the period 1880-85 as compared with the preceding 15 years.

(b.) In the following countries the gross value of trade is reported to have decreased.

## BULGARIA (ROUSTCHOUK):

Any statement must be approximate. It is believed both the volume and the value of trade have been much reduced.

## CHINA:

The value of the import trade has remained nearly stationary. With regard to exports, there has been a marked decline in the price of the three principal articles, viz., tea, silk, and sugar.

## JAPAN:

The total foreign import trade dropped from 6,826,789*l.* in 1880 to 5,437,929*l.* in 1884. There has been a steady increase in the export trade.

IV.—THE GROSS VALUE OF TRADE—*cont.*

## RUSSIA :

In 1884 the value of exports from the empire diminished by 4,200,000*l.* The total value of the import trade of Russia decreased during the last five years to the extent of 10,000,000*l.*

## SPAIN :

The upward movement indicated in the Spanish imports for the quinquennial period ended in 1883, in spite of a slight retrogression in 1881, is converted in 1884 into a downward movement, which is maintained in 1885, though at a less rapid rate of decline as regards exports; a decline set in in 1883, which continued with aggravated symptoms in 1884, and showed only a slight recovery in 1885.

## TURKEY :

Exports from Turkey would, it is thought, be found to have deteriorated in value, the imports to have slowly increased.

## URUGUAY :

The total value, both of imports and exports, has been less.

## V.—THE RETURN ON CAPITAL AND THE NET PROFIT OF TRADE.

## (a.) A decrease is reported in the following countries.

## ARGENTINE REPUBLIC :

The return on capital is much smaller than it was 20 years ago.

## BELGIUM :

It may probably be estimated that the profits on commercial business have undergone, on the average, a diminution of about 2 per cent. during the last few years.

## BOSNIA AND THE HERZEGOVINE :

The return on capital is lower. Formerly money could not be obtained at less than 12 per cent., whereas now it can be obtained at 8 per cent., and with exceptionally good security even at 6 per cent.

## CENTRAL AMERICA :

In Nicaragua and Costa Rica the return is smaller.

## DENMARK :

The depression in the rates of profit began in 1884, and may yet reach a lower point.

## EGYPT :

The depression is manifested in unremunerative trade and lessening profits.

## FRANCE :

There is a general agreement that the return of capital is below the average of the last 20 years.

## GERMANY :

The return on capital is everywhere steadily decreasing. From maximum exertions minimum profits.

## HESSE DARMSTADT :

The rate of interest is considerably lower than formerly.

## JAPAN :

Very much below the average; so much so that the return has in most cases been a loss.

## MOROCCO :

Profit being small, traders are eager to extend their business to compensate for the smallness of the returns.

## NETHERLANDS :

Reduced profits have been for the last three or four years one of the characteristics of the wholesale trade of the Netherlands.

## PORTUGAL :

The return on capital has been gradually decreasing, and is now below the average of the last 20 years.

## ROUMANIA :

The margin of profit has fallen off.

## SAXE-COBURG :

Net profits, owing to competition, have sensibly decreased.

## SAXONY :

In the great majority of branches profits are insignificant.

V.—THE RETURN ON CAPITAL AND THE NET PROFIT OF TRADE—*cont.*

## SWEDEN :

The return on capital is generally below the average of the last 20 years.

## SWITZERLAND :

Under present circumstances in Switzerland cheapness of money prevails; but there is a growing objection to embarking it in industrial concerns on account of the diminished income enjoyed, 4 per cent. in such investments being now the average return, in place of 5 per cent. obtainable a few years ago.

## TUNIS :

The return on capital is less than the average of the last 20 years.

## TURKEY :

The profits of the British manufacturer of imports into Turkey, of the British importer of exports from Turkey, and of the middleman, are, within the years 1880-85, much diminished as compared with those of the preceding 15 years.

## URUGUAY :

The return on capital is greatly inferior to previous years.

## WURTEMBERG :

The great subject of complaint is the constant shrinkage of prices and of profits.

## (b.) In the following countries the return on capital appears either to have remained stationary or to have increased.

## ITALY :

The return on capital invested in industrial undertakings may, in some instances, have increased.

## NORWAY :

The amount of property and income assessed for the poor tax (equivalent to the English income tax) was greater in 1883 than ever before. In 1879 it fell and did not begin to recover till 1881, since when it has increased steadily. The amount per head of the population had, however, not quite recovered in 1883, as it was surpassed in 1878, the year before the great depression began.

## VENEZUELA :

The return on capital is about the same.

## BAVARIA :

Money invested in industrial undertakings bears a profitable rate of interest.

## ECUADOR :

The returns on capital are not below the average.

## PERSIA :

The return on capital has increased.

## VI.—THE SUPPLY OF AND DEMAND FOR CAPITAL.

## ARGENTINE REPUBLIC :

The demand for capital continues for all purposes, and both Government and people will take as much British capital as they can get.

## BELGIUM :

Neither the demand for nor the supply of capital is thought to have materially increased of late years.

## CENTRAL AMERICA :

In Costa Rica the demand for capital is below the average of the last 20 years.

## ECUADOR :

Capital is in fair demand. The supply is fully equal to, or superior to, the average of the last 20 years.

## EGYPT :

The supply of capital has been in excess of the demand; in banking capital there has been an enormous increase.

## FRANCE :

With some exceptions it is reported that the supply of capital is abundant.

## GERMANY :

The supply of capital is unusually plentiful.

## GREECE :

Less in 1884 and 1885 than from 1880-83.

VI.—THE SUPPLY OF AND DEMAND FOR CAPITAL.—*cont.***HESSE DARMSTADT :**

The supply of capital is above the average of the last 20 years.

**ITALY :**

Both the supply of and demand for capital appear to have increased.

**MOROCCO :**

The demand for capital upon which to trade is greater at present than in former years, and the supply is also increased.

**NETHERLANDS :**

As regards capital, the demand on this head in respect of new undertakings is stated to have been inconsiderable during the past few years; the supply was ample where required for well-established enterprises.

**NORWAY :**

The demand for capital in Norway appears at present to be on the whole below the average, the supply above.

**PERSIA :**

The demand for capital has increased, whereas the supply has decreased.

**PORTUGAL :**

The demand for and the supply of capital has been steadily increasing during the last 20 years.

**ROUMANIA :**

There has always been a good demand for money in Roumania, but it would seem that it has become cheaper of late years.

**SAXE-MEININGEN :**

Capital to any amount is easily obtainable at small interest for the promotion of solid industrial undertakings.

**SERVIA :**

The supply of and demand for capital are above the average of the last 20 years.

**SIAM :**

The demand for capital has beyond doubt increased considerably of late years, and the supply also has been augmented.

**TUNIS :**

Above the average of the last 20 years.

**UNITED STATES :**

Capital is abundant and in demand, but the rate of interest has fallen considerably.

**URUGUAY :**

The demand for capital is not great, the supply is ample.

**VENEZUELA :**

The demand for capital is greater, the supply thereof is less.

## VII.—THE QUANTITY OF LABOUR EMPLOYED.

**ARGENTINE REPUBLIC :**

The demand for both skilled and unskilled labour continues in excess of the supply.

**DENMARK :**

Between 1870 and 1880 the number of persons employed in manual labour of the better sort, not being agricultural, rose from 373,000 to 451,000, or over 20 per cent. The population only increased 10 per cent. in this interval.

**FRANCE :**

The local crisis in Paris and the general crisis, which affects the capital and the province, have alike caused an important decrease of the numbers employed.

**GREECE :**

Eleven factories in the Piræus out of 51 have been closed, and the others are mostly working with a reduced number of hands.

**NETHERLANDS :**

Many men are out of employment in the machinery and shipbuilding trades, and there is some distress among builders and masons.

**RUSSIA :**

The present supply of labour at the chief seats of industry is considerably in excess of the demand.

**WURTEMBERG :**

There is no scarcity of employment for labour.

## VIII.—THE RATE OF WAGES.

(a.) In the following countries the rate of wages is stated to have increased.

**AUSTRIA :**

Workmen earn from 10d. to 5s. per diem. The hours of labour are 10 hours.

**HUNGARY :**

There has been an average general increase in the rate of wages during the last five years of about from 5 to 10 per cent.

**DENMARK :**

The rate of wages for skilled labour is in money far higher than had been the case 20 years ago, or even up to quite lately.

**GERMANY :**

The wages of labour have increased, though less in the case of skilled than of unskilled labour.

**HESSE DARMSTADT :**

The increase of wages is general.

**SAXE-MEININGEN :**

Since the universal introduction of the mark throughout Germany in 1875 the wages of labourers have decidedly risen.

**SAXONY :**

Wages on the whole are fairly sustained.

**WURTEMBERG :**

There is some improvement in the workmen's condition during the last three years, either through diminished labour or increased wages.

**ITALY :**

Wages generally have risen considerably in Italy during the past 15 years, but they still average less than the wages paid to the working classes in Great Britain.

**MOROCCO :**

There has been of late years a general rise in the rate of wages, which in some of the coast towns has been very marked, wages being now double what they were a few years since.

**NETHERLANDS :**

The rate of wages for both skilled and unskilled labour has undoubtedly risen considerably in Holland during the last 20 years, and does not as yet show any tendency towards a decline.

**PORTUGAL :**

Above the average of the last 20 years.

**ROUMANIA :**

Wages have, on the whole, gone up as the cost of living has increased.

**SWEDEN :**

The rate of wages, both for skilled and unskilled labour, may be calculated at about 25 per cent. above the average of the last 20 years.

**TUNIS :**

For both skilled and unskilled labour there has been an increase of 10 per cent.

**TURKEY :**

The rate of wages for skilled as well as for unskilled labour is throughout the empire above the average of the last 20 years.

**PERSIA :**

The rate of wages has risen all round since the famine in 1871.

**ECUADOR :**

The rate of wages for unskilled labour has increased about 50 per cent. in the coast districts and about 100 per cent. in the interior during the past 20 years; the rate of wages for skilled labour has increased in about the same proportion.

(b.) In the following countries the tendency appears to be undecided.

**BAVARIA :**

Wages for skilled labour have lately declined; the wages of farm and ordinary labourers have increased.

**CENTRAL AMERICA :**

In Costa Rica and Salvador the rate of wages is rather above the average. In Nicaragua it is more or less unchanged.

**EGYPT :**

For Arab artisans 15 per cent. dearer, for European artisans 15 per cent. less than 20 years since. Agricultural labourers earn about the same.

VIII.—THE RATE OF WAGES—*cont.*

## FRANCE :

The pay of workmen has been steadily increasing for a long time; it reached its highest rate in many trades in and about 1879; and since 1882 there has been a fluctuation, during which some wages rose and others fell.

## GREECE :

The rate of wages at the Piræus and in Athens has recently fallen to the average prices. In Syra, Volo, and Corfu wages are stated to have risen.

## MEXICO :

There has been no material permanent change in the rates of wages in Mexico of late years.

## NORWAY :

The rate of wages for skilled labour appears, however, to be now a little higher than the average of the last 20 years, while that for unskilled labour is a little below it.

## SWITZERLAND :

The rate of wages in this country, according to the best information, has varied but little during the past 20 years; if anything it has slightly descended.

## URUGUAY :

The rates of wages are somewhat higher for skilled but lower for unskilled labour than during the last 20 years, the quality and quantity of work produced being about the same.

## SIAM :

With regard to Chinese labour, the rate of wages for both skilled and unskilled workmen does not appear to have varied much during the last 20 years. The rate of wages as regards the Siamese has increased.

(c.) In the following countries the rate of wages is reported to have decreased.

## BELGIUM :

Wages, which for some years past have been gradually on the increase, have undergone a slight diminution during the last two years. On the other hand, the price of food and clothing for the working classes has become considerably cheaper.

## RUSSIA :

During the last 10 years the rates of wages and pay have not fluctuated much. At the present time, however, the price of labour, as compared with the average of the last 20 years, is gradually declining.

## UNITED STATES :

Wages have fallen generally throughout the States, 10 per cent. being about the average decline.

## VENEZUELA :

Wages are somewhat lower than the average of the last 20 years.

## IX.—CAUSES OF DEPRESSION.

The following suggestions have amongst others been made by consular representatives as to the causes of depression.

## BAVARIA :

High freights; the increasing import duties.

## CENTRAL AMERICA :

In Honduras, the ruined condition of the sugar industry in Cuba and the present (January 1886) disturbed condition of the Republic.

## CHINA :

English manufacturers are quite ignorant of the requirements of the Chinese, and take no rational means of informing themselves.

IX.—CAUSES OF DEPRESSION—*cont.*

## DENMARK :

The disturbed state of internal politics; over-production; an extensive system of credit; bad harvests.

## EGYPT :

Much greater competition; general fall in prices; greater knowledge of prices on the part of buyers; improved communications.

## FRANCE :

Depression is due to fall in price. The main cause of the widespread commercial and industrial derangement in France appears to be over-production.

## GERMANY :

General over-production; the appreciation of gold; the imperfect acquaintance of English producers with the German market; difficulties of transport.

## GREECE :

Difficulties of transport; the failure of British manufacturer sufficiently to consult the taste and wishes of his foreign customers.

## HESSE DARMSTADT :

The rates of transport.

## ITALY :

Foreign competition; the customs tariff; want of activity on the part of British firms; faulty transport communications.

## MOROCCO :

The severe famine of 1878-79.

## PORTUGAL :

Protective tariffs; the characteristic unwillingness of the British manufacturer to trouble himself with the peculiar wants of a small market.

## ROUMANIA :

Difficulties of transport.

## RUSSIA :

The system of protection; the want of direct communication between British manufacturers and Russian consumers.

## SPAIN :

The exclusion of British merchandise from the favoured nation clause of the Spanish tariff.

## UNITED STATES :

Over-production; the high price of manufactured products; insufficient consuming power; the fluctuation of employment.

## WURTEMBERG :

Excessive competition; over-production; wild speculation and deterioration of quality.

## X.—REMEDIAL MEASURES.

Amongst others the following suggestions are made.

## CHINA :

The employment of energetic and intelligent commercial travellers.

## ROUMANIA :

Greater attention to the wants of the Roumanian customer.

## GERMANY :

Improvement in quality of British goods; better transport facilities; negotiation of a commercial treaty.

## DENMARK :

Increased transport facilities; more commercial travellers of a good sort are wanted.



**TABLE OF OTHER MATTER CONTAINED IN THE APPENDICES TO THE  
SEVERAL REPORTS OF THE COMMISSION.**

	No. of Report and Page.	
Papers put in by Mr. Giffen :		
I.—Tables exhibiting the course of trade in the United Kingdom in recent years -	I.	125
II.—Supplementary Tables -	"	187
III.—List of regular publications of the Commercial Department of the Board of Trade -	"	203
IV.—Special returns of the Commercial Department of the Board of Trade, 1876-84 -	"	"
V.—Note as to the French shipping bounties -	"	205
Memorandum on Commercial Museums by Mr. C. M. Kennedy -	"	207
Table showing the progress of the importation of dutiable articles into the United Kingdom from 1875 to 1884 (Mr. Seldon) -	"	210
Tables exhibiting the progress of the revenue under the control of the Board of Inland Revenue (Sir A. West) -	"	211
Statement relating to the Iron Trade of the United Kingdom (Sir Lowthian Bell) -	II. (Part I.)	317
Tables relating to the Hematite Iron Trade (Mr. J. T. Smith) -	" "	363
Letter from Mr. C. Belk on the subject of his evidence -	" "	364
Letter from Mr. H. Hughes on the subject of his evidence -	" "	365
Statement with regard to Railway Rates (Mr. S. Osborn) -	" "	366
Statement with regard to the Cotton Trade (Mr. T. Stuttard) -	" "	368
Statement showing rate of Operatives' Wages in the cotton trade (Mr. Mawdsley) -	" "	370
Tables relating to the Cotton Trade (Mr. G. Lord) -	" "	372
Statements with regard to the Cotton Trade, the working of the Limited Liability Act in Oldham, and the Depreciation of Silver (Mr. Albert Simpson) -	" "	378
Statements relating to the evidence given on behalf of the Nottingham Chamber of Commerce -	" "	382
Questions addressed by the Commission to Associations representing the interests of the Working Classes, with the Answers received -	II. (Part II.) and III.	3
Description of a Swiss land credit bank (Mr. Murrough O'Brien) -	III.	294
Table showing wages of Agricultural Labourers in 1870-71 and 1880-81 (Mr. S. B. L. Druce) -	"	296
Correspondence relating to Differential Freights in the China trade (Mr. C. E. Collyer) -	"	297
Tables showing rate of wages, number of persons employed, &c., in the Shipbuilding Trade (Mr. J. Price) -	"	298
Information relating to the Shipbuilding Trade -	"	301
Statement with regard to Railway Rates (Mr. Marshall Stevens) -	"	305
Statement with regard to Depression of Trade, rate of Wages, Taxation, &c. (Mr. Allhusen) -	"	306
Statement with regard to the working of Limited Companies in Oldham (Mr. Kidger) -	"	308
Memorandum by Mr. R. H. Inglis Palgrave, F.R.S., on Currency and the Standard of Value, Prices, Rates of Exchange, &c. -	"	312
Questions on the subject of Currency and Prices circulated by the Royal Commission, with the answers received -	"	391
Statement put in by Mr. R. Knight, General Secretary of the Boiler Makers and Iron Ship-builder's Society -	IV.	50
Papers put in by Sir Thomas Farrer, Bart., on the subject of Railway Rates -	"	51
Memorandum by Sir Algernon West, K.C.B., with regard to the consumption of Alcoholic drinks, &c. in recent years -	"	57
Letters from Commander V. L. Cameron, C.B., R.N., and Mr. E. J. Watherston on the subject of Commercial Geography -	"	71

	No. of Report and Page.	
Letter from Mr. G. N. Hooper on the subject of the Taxation of Carriages in relation to the Depression of Trade - - - - -	IV.	77
Tables compiled by the British Iron Trade Association, showing the railway rates charged in this country, and Germany, and Belgium respectively, on the transport of iron and minerals	„	80
Statements compiled by the Board of Trade at the request of the Commission with a view to show the progress of the chief Textile Industries in France, Germany, and the United States - - - - -	„	86
Observations by Mr. Arthur O'Connor, M.P., on the evidence submitted to the Commission -	„	91

LONDON: Printed by EYRE and SPOTTISWOODE,  
Printers to the Queen's most Excellent Majesty.  
For Her Majesty's Stationery Office.

1723  
15





re

THE BORROWER WILL BE CHARGED  
AN OVERDUE FEE IF THIS BOOK IS NOT  
RETURNED TO THE LIBRARY ON OR  
BEFORE THE LAST DATE STAMPED  
BELOW. NON-RECEIPT OF OVERDUE  
NOTICES DOES NOT EXEMPT THE  
BORROWER FROM OVERDUE FEES.





